

AMENDMENT TO RULES COMM. PRINT 115-23

OFFERED BY MR. ROYCE OF CALIFORNIA

Page 511, after line 22, insert the following:

1 **Subtitle __—Russia Arms Trade**
2 **Limitation Act**

3 **SEC. __01. SHORT TITLE.**

4 This subtitle may be cited as the “Russia Arms Trade
5 Limitation Act”.

6 **SEC. __02. FINDINGS AND REPORT.**

7 (a) FINDINGS.—Congress finds the following:

8 (1) The United States has determined that in
9 2015, the Russian Federation continued to be in vio-
10 lation of its obligations under the INF Treaty not
11 to possess, produce, or flight-test a ground-launched
12 cruise missile (GLCM) with a range capability of
13 500 km to 5,500 km, or to possess or produce
14 launchers of such missiles.

15 (2) The United States published in the unclas-
16 sified version of the 2016 Report on Adherence to
17 and Compliance With Arms Control, Nonprolifera-
18 tion, and Disarmament Agreements and Commit-
19 ments, its determination that Russia was in violation
20 of its obligations under the INF Treaty not to pos-

1 sess, produce, or flight-test a ground-launched cruise
2 missile with a range capability of 500 km to 5,500
3 km, or to possess or produce launchers of such mis-
4 siles.

5 (3) Section 1290 of the National Defense Au-
6 thorization Act for Fiscal Year 2017 (Public Law
7 114–328; 130 Stat. 2555; 22 U.S.C. 2593e) prohib-
8 ited the United States Government from entering
9 into contracts with—

10 (A) a person that is a national of a coun-
11 try that has violated an arms control agreement
12 noted in the 2016 Report on Adherence to and
13 Compliance With Arms Control, Nonprolifera-
14 tion, and Disarmament Agreements and Com-
15 mitments;

16 (B) an entity organized under the laws of
17 a such country has engaged in any activity that
18 contributed to or is a significant factor in the
19 President’s or the Secretary of State’s deter-
20 mination that such country is not in full compli-
21 ance with its obligations under such arms con-
22 trol agreement; or

23 (C) a natural person or entity that has
24 provided material support for such non-compli-
25 ance.

1 (b) REPORT.—

2 (1) IN GENERAL.—Not later than 120 days
3 after the date of enactment of this Act, the Presi-
4 dent shall submit to the appropriate congressional
5 committees a report that contains a list of persons
6 described in section 1290(a)(1) of the National De-
7 fense Authorization Act for Fiscal Year 2017 related
8 to the Russian Federation’s noted violation of the
9 INF Treaty, as noted in the 2016 Report on Adher-
10 ence to and Compliance With Arms Control, Non-
11 proliferation, and Disarmament Agreements and
12 Commitments.

13 (2) FORM.—The report required by paragraph
14 (2) shall be provided in unclassified form, but may
15 contain a classified annex.

16 (3) APPROPRIATE CONGRESSIONAL COMMIT-
17 TEES DEFINED.—In this subsection, the term “ap-
18 propriate congressional committees” has the mean-
19 ing given such term in section 1290(h) of the Na-
20 tional Defense Authorization Act for Fiscal Year
21 2017.

22 (c) INF TREATY DEFINED.—In this section, the
23 term “INF Treaty” means the Treaty Between the United
24 States of America and the Union of Soviet Socialist Re-
25 publics on the Elimination of Their Intermediate-Range

1 and Shorter-Range Missiles, commonly referred to as the
2 “Intermediate- Range Nuclear Forces (INF) Treaty”,
3 signed at Washington December 8, 1987, and entered into
4 force June 1, 1988.

5 **SEC. __03. REPORT ON SUPPLY CHAINS FOR RUSSIAN ARMS**
6 **SALES PROGRAMS.**

7 (a) IN GENERAL.—Not later than 180 days after the
8 date of the enactment of this Act, the President shall sub-
9 mit to the appropriate congressional committees a report
10 that contains the following:

11 (1) An analysis of the foreign and domestic
12 supply chains in the Russian Federation that di-
13 rectly or indirectly significantly facilitates, supports,
14 or otherwise aids the Government of the Russian
15 Federation’s development, export, sale, or transfer of
16 major defense equipment or advanced conventional
17 weapons.

18 (2) A description of the geographic distribution
19 of the foreign and domestic supply chains described
20 in paragraph (1), including sources of sophisticated
21 goods, services, or technologies used for or by Russia
22 for the development, export, sale, or transfer of such
23 equipment or weapons.

24 (3) An assessment of the ability of the Russian
25 Government to domestically manufacture or other-

1 wise produce the goods, services, or technology nec-
2 essary to support the development, export, sale, or
3 transfer of such equipment or weapons.

4 (b) FORM.—The report required under subsection (a)
5 shall be submitted in unclassified form, but may contain
6 a classified annex.

7 (c) APPROPRIATE CONGRESSIONAL COMMITTEES DE-
8 FINED.—In this section, the term “appropriate congres-
9 sional committees” means—

10 (1) the Committee on Foreign Relations and
11 the Select Committee on Intelligence of the Senate;
12 and

13 (2) the Committee on Foreign Affairs and the
14 Permanent Select Committee on Intelligence of the
15 House of Representatives.

16 **SEC. 04. IMPOSITION OF SANCTIONS WITH RESPECT TO**
17 **CERTAIN PERSONS PROVIDING SOPHISTI-**
18 **CATED GOODS, SERVICES, OR TECH-**
19 **NOLOGIES FOR USE IN THE PRODUCTION OF**
20 **MAJOR DEFENSE EQUIPMENT OR ADVANCED**
21 **CONVENTIONAL WEAPONS.**

22 (a) IDENTIFICATION.—

23 (1) IN GENERAL.—Not later than 120 days
24 after the date of the enactment of this Act, and an-
25 nually thereafter for 5 years, the President shall

1 submit to the appropriate congressional committees
2 a report that identifies each foreign person and each
3 agency or instrumentality of a foreign state that the
4 President determines is a foreign person or an agen-
5 cy or instrumentality of a foreign state described in
6 paragraph (2).

7 (2) FOREIGN PERSON OR AGENCY OR INSTRU-
8 MENTALITY OF A FOREIGN STATE DESCRIBED.—A
9 foreign person or an agency or instrumentality of a
10 foreign state described in this paragraph is a foreign
11 person or an agency or instrumentality of a foreign
12 state that—

13 (A) knowingly sells, leases, or otherwise
14 provides significant sophisticated goods, services
15 or technology, or

16 (B) engages in a significant transaction or
17 transactions to sell, lease, or otherwise provide
18 such sophisticated goods, services, or tech-
19 nologies, to entities owned or controlled by the
20 Russian Federation,

21 if such activity under subparagraph (A) or trans-
22 action under subparagraph (B) materially contrib-
23 utes to the ability of Russia to develop or produce
24 major defense equipment or advanced conventional
25 weapons.

1 (3) FORM.—The report required under para-
2 graph (1) shall be submitted in unclassified form,
3 but may contain a classified annex.

4 (4) EXCEPTION.—

5 (A) IN GENERAL.—The President shall not
6 be required to identify a foreign person or an
7 agency or instrumentality of a foreign state in
8 a report pursuant to paragraph (1) if—

9 (i) the foreign person or the agency or
10 instrumentality of a foreign state notifies
11 the United States Government in advance
12 that it proposes to engage in an activity
13 under paragraph (2)(A) or a transaction
14 under paragraph (2)(B); and

15 (ii) the President determines and noti-
16 fies the appropriate congressional commit-
17 tees in classified form prior to the foreign
18 person or agency or instrumentality of a
19 foreign state engaging in the activity under
20 paragraph (2)(A) or transaction under
21 paragraph (2)(B) that such activity or
22 transaction is in the national interests of
23 the United States.

1 (B) NON-APPLICABILITY.—The exception
2 under subparagraph (A) shall not apply with
3 respect to—

4 (i) an agency or instrumentality of a
5 foreign state the government of which the
6 Secretary of State determines has repeat-
7 edly provided support for acts of inter-
8 national terrorism pursuant to section 6(j)
9 of the Export Administration Act of 1979
10 (as continued in effect pursuant to the
11 International Emergency Economic Powers
12 Act), section 40 of the Arms Export Con-
13 trol Act, section 620A of the Foreign As-
14 sistance Act of 1961, or any other relevant
15 provision of law; or

16 (ii) any activity under paragraph
17 (2)(A) or transaction under paragraph
18 (2)(B) that involves, directly or indirectly,
19 a foreign state described in clause (i).

20 (b) SANCTIONS IMPOSED.—

21 (1) IN GENERAL.—Except as provided in para-
22 graph (3), the President shall impose one or more
23 of the sanctions described in paragraph (2) with re-
24 spect to any foreign person or agency or instrumen-

1 tality of a foreign state identified pursuant to sub-
2 section (a).

3 (2) SANCTIONS DESCRIBED.—The sanctions de-
4 scribed in this paragraph are the following:

5 (A) No sales of any defense articles, de-
6 fense services, or design and construction serv-
7 ices under the Arms Export Control Act (22
8 U.S.C. 2751 et seq.) may be made to the for-
9 eign person or agency or instrumentality of the
10 foreign state.

11 (B) No licenses for export of any item on
12 the United States Munitions List that include
13 the foreign person or agency or instrumentality
14 of the foreign state as a party to the license
15 may be granted.

16 (C) No exports may be permitted to the
17 foreign person or agency or instrumentality of
18 the foreign state of any goods or technologies
19 controlled for national security reasons under
20 the Export Administration Regulations, except
21 that such prohibition shall not apply to any
22 transaction subject to the reporting require-
23 ments of title V of the National Security Act of
24 1947 (50 U.S.C. 413 et seq.; relating to con-
25 gressional oversight of intelligence activities).

1 (D)(i) The President may exercise of all
2 powers granted to the President by the Inter-
3 national Emergency Economic Powers Act (50
4 U.S.C. 1701 et seq.) (except that the require-
5 ments of section 202 of such Act (50 U.S.C.
6 1701) shall not apply) to the extent necessary
7 to block and prohibit all transactions in all
8 property and interests in property of a foreign
9 person or agency or instrumentality of the for-
10 eign state if such property and interests in
11 property are in the United States, come within
12 the United States, or are or come within the
13 possession or control of a United States person.

14 (ii)(I) The authority to impose sanctions
15 under clause (i) shall not include the authority
16 to impose sanctions relating to the importation
17 of goods.

18 (II) In subparagraph (I), the term “good”
19 has the meaning given such term in section 16
20 of the Export Administration Act of 1979 (50
21 U.S.C. App. 2415) (as continued in effect pur-
22 suant to the International Emergency Economic
23 Powers Act (50 U.S.C. 1701 et seq.)).

24 (III) The penalties provided for in sub-
25 sections (b) and (c) of section 206 of the Inter-

1 national Emergency Economic Powers Act (50
2 U.S.C. 1705) shall apply to a person that
3 knowingly violates, attempts to violate, con-
4 spires to violate, or causes a violation of regula-
5 tions promulgated under this section to carry
6 out clause (i) to the same extent that such pen-
7 alties apply to a person that knowingly commits
8 an unlawful act described in section 206(a) of
9 that Act.

10 (IV) Except as provided in subparagraph
11 (I), the President may exercise all authorities
12 provided to the President under sections 203
13 and 205 of the International Emergency Eco-
14 nomic Powers Act (50 U.S.C. 1702 and 1704)
15 for purposes of carrying out clause (i).

16 (3) EXCEPTIONS.—The President shall not be
17 required to apply sanctions with respect to a foreign
18 person or an agency or instrumentality of a foreign
19 state identified pursuant to subsection (a) if the
20 President certifies to the appropriate congressional
21 committees that—

22 (A)(i) the foreign person or agency or in-
23 strumentality of the foreign state—

24 (I) is no longer carrying out activities
25 or transactions for which the sanctions

1 were imposed pursuant to this subsection;

2 or

3 (II) has taken and is continuing to
4 take significant verifiable steps toward ter-
5 minating the activities or transactions for
6 which the sanctions were imposed pursuant
7 to this subsection; and

8 (ii) the President has received reliable as-
9 surances from the foreign person or the agency
10 or instrumentality of the foreign state that it
11 will not carry out any activities or transactions
12 for which sanctions may be imposed pursuant
13 to this subsection in the future; or

14 (B) in the case of procurement of defense
15 articles or defense services under existing con-
16 tracts or subcontracts, including the exercise of
17 options for production quantities to satisfy re-
18 quirements essential to the national security of
19 the United States, if the President determines
20 in writing to the appropriate congressional com-
21 mittees that the person to which the sanctions
22 would otherwise be applied is a sole source sup-
23 plier of the defense articles or services, that the
24 defense articles or services are essential, and
25 that alternative sources are not readily or rea-

1 sonably available, or the President determines it
2 is in the national interest and certifies such de-
3 termination in writing to the appropriate con-
4 gressional committees.

5 (c) WAIVER.—The President may waive the applica-
6 tion of subsection (b) with respect to a foreign person or
7 foreign persons, or agency or instrumentality of a foreign
8 state, if the President—

9 (1) determines that the waiver is important to
10 the national security of the United States;

11 (2) before the waiver takes effect, briefs the ap-
12 propriate congressional committees on the waiver
13 and the reason for the waiver; and

14 (3) briefs the appropriate congressional commit-
15 tees every 180 days on the status of the waiver dur-
16 ing a period in which the waiver is in effect.

17 (d) DEFINITIONS.—In this section:

18 (1) ADVANCED CONVENTIONAL WEAPONS.—The
19 term “advanced conventional weapons” includes—

20 (A) such long-range precision-guided muni-
21 tions, fuel air explosives, cruise missiles, low ob-
22 servability aircraft, other radar evading air-
23 craft, advanced military aircraft, military sat-
24 ellites, electromagnetic weapons, and laser
25 weapons as the President determines destabilize

1 the military balance or enhance offensive capa-
2 bilities in destabilizing ways;

3 (B) such advanced command, control, and
4 communications systems, electronic warfare sys-
5 tems, or intelligence collection systems as the
6 President determines destabilize the military
7 balance or enhance offensive capabilities in de-
8 stabilizing ways;

9 (C) the S-300 and S-400 missile defense
10 systems and air superiority fighters; and

11 (D) such other items or systems as the
12 President may, by regulation, determine nec-
13 essary for purposes of this section.

14 (2) AGENCY OR INSTRUMENTALITY OF A FOR-
15 EIGN STATE.—The term “agency or instrumentality
16 of a foreign state” has the meaning given such term
17 in section 1603(b) of title 28, United States Code.

18 (3) APPROPRIATE CONGRESSIONAL COMMIT-
19 TEES.—The term “appropriate congressional com-
20 mittees” means—

21 (A) the Committee on Foreign Relations,
22 the Committee on Armed Services, the Com-
23 mittee on Banking, Housing, and Urban Af-
24 fairs, and the Committee on Finance of the
25 Senate; and

1 (B) the Committee on Foreign Affairs, the
2 Committee on Armed Services, the Committee
3 on Financial Services, and the Committee on
4 Ways and Means of the House of Representa-
5 tives.

6 (4) FOREIGN PERSON.—The term “foreign per-
7 son” means—

8 (A) an individual who is not a United
9 States person; or

10 (B) a corporation, partnership, or other
11 nongovernmental entity which is not a United
12 States person.

13 (5) MAJOR DEFENSE EQUIPMENT.—The term
14 “major defense equipment” has the meaning given
15 such term under section 120.8 of title 22, Code of
16 Federal Regulations (as in effect on the date of the
17 enactment of this Act).

18 (6) PERSON.—The term “person” means—

19 (A) a natural person;

20 (B) a corporation, business association,
21 partnership, society, trust, financial institution,
22 insurer, underwriter, guarantor, and any other
23 business organization, any other nongovern-
24 mental entity, organization, or group, and any

1 governmental entity operating as a business en-
2 terprise; and

3 (C) any successor to any entity described
4 in subparagraph (B).

5 (7) UNITED STATES PERSON.—The term
6 “United States person” means—

7 (A) a United States citizen or an alien law-
8 fully admitted for permanent residence to the
9 United States; or

10 (B) an entity organized under the laws of
11 the United States or of any jurisdiction within
12 the United States, including a foreign branch of
13 such an entity.

14 (e) DETERMINATION OF SOPHISTICATED.—The Sec-
15 retary of State, with the concurrence of the Secretary of
16 Defense and in coordination with the heads of other rel-
17 evant Federal agencies, shall promulgate regulations to
18 determine if a good, service, or technology is sophisticated
19 for purposes of this section.

20 (f) EFFECTIVE DATE.—This section takes effect on
21 the date of the enactment of this Act and applies with
22 respect to activities and transactions described in sub-
23 section (a) that are carried out on or after such date of
24 enactment.

1 **SEC. __05. ADDITIONAL MEASURES FOR THE PURCHASE OF**
2 **CERTAIN DEFENSE ARTICLES OR DEFENSE**
3 **SERVICES FROM RUSSIA.**

4 (a) IN GENERAL.—In the case of an agency or instru-
5 mentality of a foreign state that engages in the activities
6 described in subsection (b) that is an agency or instrumen-
7 tality of a foreign state the government of which has been
8 designated a state sponsor of terrorism, the President
9 shall, pursuant to section 6 of the Export Administration
10 Act of 1979 (as continued in effect pursuant to the Inter-
11 national Emergency Economic Powers Act (50 U.S.C.
12 1701 et seq.)), require a license under the Export Admin-
13 istration Regulations to export or re-export to that foreign
14 state any item designated by the Secretary of Commerce
15 as ‘EAR 99’, other than food, medicine, medical devices,
16 or similarly licensed items.

17 (b) ACTIVITIES DESCRIBED.—The activities de-
18 scribed in this subsection are the purchase, lease, or acqui-
19 sition, on or after March 6, 2014, of major defense equip-
20 ment or advanced conventional weapons from the Russian
21 Federation.

22 (c) DEFINITIONS.—In this section:

23 (1) ADVANCED CONVENTIONAL WEAPONS.—The
24 term “advanced conventional weapons” has the
25 meaning given such term in section __04 of this
26 subtitle.

1 (2) APPROPRIATE CONGRESSIONAL COMMIT-
2 TEES.—The term “appropriate congressional com-
3 mittees” means the Committee on Foreign Relations
4 of the Senate and the Committee on Foreign Affairs
5 of the House of Representatives.

6 (3) EXPORT ADMINISTRATION REGULATIONS.—
7 The term “Export Administration Regulations”
8 means subchapter C of chapter VII of title 15, Code
9 of Federal Regulations (as in effect on the date of
10 the enactment of this Act).

11 (4) MAJOR DEFENSE EQUIPMENT.—The term
12 “major defense equipment” has the meaning given
13 such term in section __04 of this subtitle.

14 (5) STATE SPONSOR OF TERRORISM.—The term
15 “state sponsor of terrorism” means a country the
16 government of which the Secretary of State deter-
17 mines has repeatedly provided support for acts of
18 international terrorism pursuant to section 6(j) of
19 the Export Administration Act of 1979 (as contin-
20 ued in effect pursuant to the International Emer-
21 gency Economic Powers Act), section 40 of the
22 Arms Export Control Act, section 620A of the For-
23 eign Assistance Act of 1961, or any other relevant
24 provision of law.

1 (d) EFFECTIVE DATE.—The licensing requirement
2 under subsection (a) shall take effect not later than 90
3 days after the date of the enactment of this Act.

4 **SEC. __06. TERMINATION.**

5 This subtitle, including the authority to impose sanc-
6 tions under this subtitle and any sanctions so imposed,
7 shall terminate on the date that is 5 years after the date
8 of the enactment of this Act.

