Subtitle —Russia Arms Trade Limitation Act

SEC. _01. SHORT TITLE.

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

SEC. _02. FINDINGS AND REPORT.

(a) FINDINGS.—Congress finds the following:

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

(2) The United States published in the unclassified version of the 2016 Report on Adherence to and Compliance With Arms Control, Nonproliferation, and Disarmament Agreements and Commitments, its determination that Russia was in violation of its obligations under the INF Treaty not to poss-
to possess, produce, or flight-test a ground-launched cruise missile with a range capability of 500 km to 5,500 km, or to possess or produce launchers of such missiles.

(3) Section 1290 of the National Defense Authorization Act for Fiscal Year 2017 (Public Law 114–328; 130 Stat. 2555; 22 U.S.C. 2593e) prohibited the United States Government from entering into contracts with—

(A) a person that is a national of a country that has violated an arms control agreement noted in the 2016 Report on Adherence to and Compliance With Arms Control, Nonproliferation, and Disarmament Agreements and Commitments;

(B) an entity organized under the laws of a such country has engaged in any activity that contributed to or is a significant factor in the President’s or the Secretary of State’s determination that such country is not in full compliance with its obligations under such arms control agreement; or

(C) a natural person or entity that has provided material support for such non-compliance.
(b) REPORT.—

(1) IN GENERAL.—Not later than 120 days after the date of enactment of this Act, the President shall submit to the appropriate congressional committees a report that contains a list of persons described in section 1290(a)(1) of the National Defense Authorization Act for Fiscal Year 2017 related to the Russian Federation’s noted violation of the INF Treaty, as noted in the 2016 Report on Adherence to and Compliance With Arms Control, Non-proliferation, and Disarmament Agreements and Commitments.

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

(3) APPROPRIATE CONGRESSIONAL COMMITTEES DEFINED.—In this subsection, the term “appropriate congressional committees” has the meaning given such term in section 1290(h) of the National Defense Authorization Act for Fiscal Year 2017.

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

SEC. 03. REPORT ON SUPPLY CHAINS FOR RUSSIAN ARMS SALES PROGRAMS.

(a) In general.—Not later than 180 days after the date of the enactment of this Act, the President shall submit to the appropriate congressional committees a report that contains the following:

(1) An analysis of the foreign and domestic supply chains in the Russian Federation that directly or indirectly significantly facilitates, supports, or otherwise aids the Government of the Russian Federation’s development, export, sale, or transfer of major defense equipment or advanced conventional weapons.

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

(3) An assessment of the ability of the Russian Government to domestically manufacture or other-
wise produce the goods, services, or technology necessary to support the development, export, sale, or transfer of such equipment or weapons.

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

(c) APPROPRIATE CONGRESSIONAL COMMITTEES DEFINED.—In this section, the term “appropriate congressional committees” means—

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

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

SEC. _04. IMPOSITION OF SANCTIONS WITH RESPECT TO CERTAIN PERSONS PROVIDING SOPHISTICATED GOODS, SERVICES, OR TECHNOLOGIES FOR USE IN THE PRODUCTION OF MAJOR DEFENSE EQUIPMENT OR ADVANCED CONVENTIONAL WEAPONS.

(a) IDENTIFICATION.—

(1) IN GENERAL.—Not later than 120 days after the date of the enactment of this Act, and annually thereafter for 5 years, the President shall
submit to the appropriate congressional committees
a report that identifies each foreign person and each
agency or instrumentality of a foreign state that the
President determines is a foreign person or an agen-
cy or instrumentality of a foreign state described in
paragraph (2).

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

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

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

if such activity under subparagraph (A) or trans-
action under subparagraph (B) materially contrib-
utes to the ability of Russia to develop or produce
major defense equipment or advanced conventional
weapons.
(3) FORM.—The report required under paragraph (1) shall be submitted in unclassified form, but may contain a classified annex.

(4) EXCEPTION.—

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

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

(ii) the President determines and notifies the appropriate congressional committees in classified form prior to the foreign person or agency or instrumentality of a foreign state engaging in the activity under paragraph (2)(A) or transaction under paragraph (2)(B) that such activity or transaction is in the national interests of the United States.
(B) NON-APPLICABILITY.—The exception under subparagraph (A) shall not apply with respect to—

(i) an agency or instrumentality of a foreign state the government of which the Secretary of State determines has repeatedly provided support for acts of international terrorism pursuant to section 6(j) of the Export Administration Act of 1979 (as continued in effect pursuant to the International Emergency Economic Powers Act), section 40 of the Arms Export Control Act, section 620A of the Foreign Assistance Act of 1961, or any other relevant provision of law; or

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

(b) SANCTIONS IMPOSED.—

(1) IN GENERAL.—Except as provided in paragraph (3), the President shall impose one or more of the sanctions described in paragraph (2) with respect to any foreign person or agency or instrumen-
tality of a foreign state identified pursuant to subsection (a).

(2) SANCTIONS DESCRIBED.—The sanctions described in this paragraph are the following:

(A) No sales of any defense articles, defense services, or design and construction services under the Arms Export Control Act (22 U.S.C. 2751 et seq.) may be made to the foreign person or agency or instrumentality of the foreign state.

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

(C) No exports may be permitted to the foreign person or agency or instrumentality of the foreign state of any goods or technologies controlled for national security reasons under the Export Administration Regulations, except that such prohibition shall not apply to any transaction subject to the reporting requirements of title V of the National Security Act of 1947 (50 U.S.C. 413 et seq.; relating to congressional oversight of intelligence activities).
(D)(i) The President may exercise of all powers granted to the President by the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.) (except that the requirements of section 202 of such Act (50 U.S.C. 1701) shall not apply) to the extent necessary to block and prohibit all transactions in all property and interests in property of a foreign person or agency or instrumentality of the foreign state 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.

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

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

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

(IV) Except as provided in subparagraph (I), 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) for purposes of carrying out clause (i).

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

(A)(i) the foreign person or agency or instrumentality of the foreign state—

(I) is no longer carrying out activities or transactions for which the sanctions
were imposed pursuant to this subsection; or

(II) has taken and is continuing to take significant verifiable steps toward terminating the activities or transactions for which the sanctions were imposed pursuant to this subsection; and

(ii) the President has received reliable assurances from the foreign person or the agency or instrumentality of the foreign state that it will not carry out any activities or transactions for which sanctions may be imposed pursuant to this subsection in the future; or

(B) in the case of procurement of defense articles or defense services under existing contracts or subcontracts, including the exercise of options for production quantities to satisfy requirements essential to the national security of the United States, if the President determines in writing to the appropriate congressional committees that the person to which the sanctions would otherwise be applied is a sole source supplier of the defense articles or services, that the defense articles or services are essential, and that alternative sources are not readily or rea-
sonably available, or the President determines it is in the national interest and certifies such determination in writing to the appropriate congressional committees.

(c) WAIVER.—The President may waive the application of subsection (b) with respect to a foreign person or foreign persons, or agency or instrumentality of a foreign state, if the President—

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

(2) before the waiver takes effect, briefs the appropriate congressional committees on the waiver and the reason for the waiver; and

(3) briefs the appropriate congressional committees every 180 days on the status of the waiver during a period in which the waiver is in effect.

(d) DEFINITIONS.—In this section:

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

(A) such long-range precision-guided munitions, fuel air explosives, cruise missiles, low observability aircraft, other radar evading aircraft, advanced military aircraft, military satellites, electromagnetic weapons, and laser weapons as the President determines destabilize
the military balance or enhance offensive capabilities in destabilizing ways;

(B) such advanced command, control, and communications systems, electronic warfare systems, or intelligence collection systems as the President determines destabilize the military balance or enhance offensive capabilities in destabilizing ways;

(C) the S–300 and S–400 missile defense systems and air superiority fighters; and

(D) such other items or systems as the President may, by regulation, determine necessary for purposes of this section.

(2) Agency or Instrumentality of a Foreign State.—The term “agency or instrumentality of a foreign state” has the meaning given such term in section 1603(b) of title 28, United States Code.

(3) Appropriate Congressional Committees.—The term “appropriate congressional committees” means—

(A) the Committee on Foreign Relations, the Committee on Armed Services, the Committee on Banking, Housing, and Urban Affairs, and the Committee on Finance of the Senate; and
(B) the Committee on Foreign Affairs, the Committee on Armed Services, the Committee on Financial Services, and the Committee on Ways and Means of the House of Representatives.

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

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

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

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

(6) PERSON.—The term “person” means—

(A) a natural person;

(B) a corporation, business association, partnership, society, trust, financial institution, insurer, underwriter, guarantor, and any other business organization, any other nongovernmental entity, organization, or group, and any
governmental entity operating as a business enterprise; and

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

(7) 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; or

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

(e) DETERMINATION OF SOPHISTICATED.—The Secretary of State, with the concurrence of the Secretary of Defense and in coordination with the heads of other relevant Federal agencies, shall promulgate regulations to determine if a good, service, or technology is sophisticated for purposes of this section.

(f) EFFECTIVE DATE.—This section takes effect on the date of the enactment of this Act and applies with respect to activities and transactions described in subsection (a) that are carried out on or after such date of enactment.
SEC. 05. ADDITIONAL MEASURES FOR THE PURCHASE OF CERTAIN DEFENSE ARTICLES OR DEFENSE SERVICES FROM RUSSIA.

(a) IN GENERAL.—In the case of an agency or instrumentality of a foreign state that engages in the activities described in subsection (b) that is an agency or instrumentality of a foreign state the government of which has been designated a state sponsor of terrorism, the President shall, pursuant to section 6 of the Export Administration Act of 1979 (as continued in effect pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.)), require a license under the Export Administration Regulations to export or re-export to that foreign state any item designated by the Secretary of Commerce as ‘EAR 99’, other than food, medicine, medical devices, or similarly licensed items.

(b) ACTIVITIES DESCRIBED.—The activities described in this subsection are the purchase, lease, or acquisition, on or after March 6, 2014, of major defense equipment or advanced conventional weapons from the Russian Federation.

(c) DEFINITIONS.—In this section:

(1) ADVANCED CONVENTIONAL WEAPONS.—The term “advanced conventional weapons” has the meaning given such term in section 04 of this subtitle.
(2) APPROPRIATE CONGRESSIONAL COMMITTEES.—The term “appropriate congressional committees” means the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives.

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

(4) MAJOR DEFENSE EQUIPMENT.—The term “major defense equipment” has the meaning given such term in section 104 of this subtitle.

(5) STATE SPONSOR OF TERRORISM.—The term “state sponsor of terrorism” means a country the government of which the Secretary of State determines has repeatedly provided support for acts of international terrorism pursuant to section 6(j) of the Export Administration Act of 1979 (as continued in effect pursuant to the International Emergency Economic Powers Act), section 40 of the Arms Export Control Act, section 620A of the Foreign Assistance Act of 1961, or any other relevant provision of law.
(d) Effective Date.—The licensing requirement under subsection (a) shall take effect not later than 90 days after the date of the enactment of this Act.

SEC. 06. Termination.

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