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(SBU) As the President has said, the Administration believes the Nord Stream 2 pipeline is a Russian geopolitical project intended to divide Europe. It is a bad deal for Germany, for Ukraine, and for Europe more broadly. The United States continues to oppose the pipeline, a position that has strong, bipartisan support in the U.S. Congress, and today will take action against completion in accordance with PEESA, as amended.

(SBU) PEESA, as amended, mandates sanctions and visa restrictions on persons listed in the report to Congress, as well as visa restrictions for any corporate officer or principal shareholder with a controlling interest in the entities, absent a waiver.

(SBU) On May 19, 2021, the Russia-based entities LLC Koksokhimtrans, LLC Mortransservice, Samara Heat and Energy Property Fund (STIF), and the Government of Russia's Marine Rescue Service, and the vessels Yury Topchev, Vladislav Strizhov, Baltiyskiy Issledovatel, and Akademik Cherskiy will be listed in a State Department report to Congress under the Protecting Europe's Energy Security Act of 2019 (PEESA), as amended. They will be listed in the report to Congress for being a foreign person who knowingly sold, leased or provided, or facilitated selling, leasing, or providing a vessel engaged in pipe-laying or pipe-laying activities at depths of 100 feet or more below sea level for the construction of Nord Stream 2. The Yury Topchev, Vladislav Strizhov, Baltiyskiy Issledovatel, and Akademik Cherskiy will be listed as vessels that engaged in such pipe-laying or pipe-laying activities at depths of 100 feet or more below sea level.

(SBU) With this report, and as part of our continuing efforts to put a stop to the pipeline, the Administration will utilize the authorities provided by Congress in PEESA, as amended, to take action against a number of Russian entities involved in the project.

(SBU) As a result of one of the designations in the report, of the Russian government's Marine Rescue Service, we will also sanction nine other Russian vessels involved in the project that are owned by this entity.

(SBU) Also listed in the report will be Nord Stream 2 AG, the Swiss entity developing the Nord Stream 2 pipeline and Matthias Warnig, its German-national CEO, because they met the legislative criteria established in PEESA, as amended

(SBU) In line with President Biden's commitment to rebuild U.S. relations with our European allies and partners, the Secretary of State has determined it is in the U.S. national interest to waive sanctions on Nord Stream 2 AG, its corporate officers, and its CEO. This will provide space for the United States to engage Germany diplomatically to address our concerns about the project.

(SBU) As the President has said, our European allies and partners are the cornerstone of all we hope to achieve in the 21st century. Rebuilding Transatlantic relations is a top priority for the

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Administration, and today's action demonstrates our commitment to our European allies and partners.

(SBU) We understand that close cooperation with our European allies and partners is also critical to control the COVID-19 pandemic; fight climate change; promote a sustainable economic recovery; defend our democracies against authoritarianism; counter malign behavior by Russia and China; and address other global challenges, such as Iran.

(SBU) We will continue to consult and coordinate with you and other allies and partners on this issue and many others. We will not agree on everything, and where we disagree, we will continue to engage with our allies and partners in an open and constructive manner

(SBU) It is important that we urgently renew our dialogue on this issue and reach agreement on how Germany will address the risks posed by the pipeline.

END POINTS

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