

AMENDMENT NO. \_\_\_\_\_ Calendar No. \_\_\_\_\_

Purpose: In the nature of a substitute.

**IN THE SENATE OF THE UNITED STATES—116th Cong., 1st Sess.**

**S. 704**

To prioritize the efforts of and enhance coordination among United States agencies to encourage countries in Central and Eastern Europe to diversify their energy sources and supply routes, increase Europe’s energy security, and help the United States reach its global energy security goals, and for other purposes.

Referred to the Committee on \_\_\_\_\_ and  
ordered to be printed

Ordered to lie on the table and to be printed

Amendments In the Nature of a Substitute intended to be  
proposed by Mr. MURPHY

Viz:

1 Strike all after the enacting clause and insert the fol-  
2 lowing:

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “European Energy Se-  
5 curity and Diversification Act of 2019”.

6 **SEC. 2. DEFINITIONS.**

7 In this Act:

8 (1) EARLY-STAGE PROJECT SUPPORT.—The  
9 term “early-stage project support” includes—

10 (A) feasibility studies;

1 (B) resource evaluations;

2 (C) project appraisal and costing;

3 (D) pilot projects;

4 (E) commercial support, such as trade  
5 missions, reverse trade missions, technical  
6 workshops, international buyer programs, and  
7 international partner searchers to link suppliers  
8 to projects;

9 (F) technical assistance and other guid-  
10 ance to improve the local regulatory environ-  
11 ment and market frameworks to encourage  
12 transparent competition and enhance energy se-  
13 curity; and

14 (G) long-term energy sector planning.

15 (2) LATE-STAGE PROJECT SUPPORT.—The term  
16 “late-stage project support” includes debt financing,  
17 insurance, and transaction advisory services.

18 **SEC. 3. STATEMENT OF POLICY.**

19 (a) SENSE OF CONGRESS.—It is the sense of Con-  
20 gress that the United States has economic and national  
21 security interests in assisting European and Eurasian  
22 countries achieve energy security through diversification  
23 of their energy sources and supply routes.

24 (b) STATEMENT OF POLICY.—It is the policy of the  
25 United States—

1           (1) to advance United States foreign policy and  
2           development goals by assisting European and Eur-  
3           asian countries to reduce their dependence on energy  
4           resources from countries that use energy dependence  
5           for undue political influence, such as the Russian  
6           Federation, which has used natural gas to coerce, in-  
7           timidate, and influence other countries;

8           (2) to promote the energy security of allies and  
9           partners of the United States by encouraging the de-  
10          velopment of accessible, transparent, and competitive  
11          energy markets that provide diversified sources,  
12          types, and routes of energy;

13          (3) to encourage United States public and pri-  
14          vate sector investment in European energy infra-  
15          structure projects to bridge the gap between energy  
16          security requirements and commercial demand in a  
17          way that is consistent with the region's absorptive  
18          capacity; and

19          (4) to help facilitate the export of United States  
20          energy resources, technology, and expertise to global  
21          markets in a way that benefits the energy security  
22          of allies and partners of the United States, including  
23          in Europe and Eurasia.

1 **SEC. 4. PRIORITIZATION OF EFFORTS AND ASSISTANCE**  
2 **FOR ENERGY INFRASTRUCTURE PROJECTS**  
3 **IN EUROPE AND EURASIA.**

4 (a) IN GENERAL.—In pursuing the policy described  
5 in section 3, the Secretary of State, in coordination with  
6 the Secretary of Energy and the heads of other relevant  
7 United States agencies, shall, as appropriate, prioritize  
8 and expedite the efforts of the Department of State and  
9 those agencies in supporting the efforts of the European  
10 Commission and the governments of European and Eur-  
11 asian countries to increase their energy security, including  
12 through—

13 (1) providing diplomatic and political support to  
14 the European Commission and those governments,  
15 as necessary—

16 (A) to facilitate international negotiations  
17 concerning cross-border infrastructure;

18 (B) to enhance Europe’s regulatory envi-  
19 ronment with respect to energy; and

20 (C) to develop accessible, transparent, and  
21 competitive energy markets supplied by diverse  
22 sources, types, and routes of energy; and

23 (2) providing support to improve European en-  
24 ergy markets, including early-stage project support  
25 and late-stage project support for the construction

1 or improvement of energy infrastructure, as nec-  
2 essary—

3 (A) to diversify the energy sources and  
4 supply routes of European and Eurasian coun-  
5 tries;

6 (B) to enhance energy market integration  
7 across the region; and

8 (C) to increase competition within energy  
9 markets.

10 (b) PROJECT SELECTION.—

11 (1) IN GENERAL.—The agencies described in  
12 subsection (a) shall identify energy infrastructure  
13 projects that would be appropriate for United States  
14 assistance under this section.

15 (2) PROJECT ELIGIBILITY.—A project is eligible  
16 for United States assistance under this section if the  
17 project—

18 (A)(i) improves electricity transmission in-  
19 frastructure, power generation through the use  
20 of a broad power mix (including fossil fuel and  
21 renewable energy), or energy efficiency; or

22 (ii) advances electricity storage projects,  
23 smart grid projects, distributed generation mod-  
24 els, or other technological innovations, as ap-  
25 propriate; and

1                   (B) is located in a European or Eurasian  
2                   country.

3                   (3) PREFERENCE.—In selecting among projects  
4                   that are eligible under paragraph (2), the agencies  
5                   described in subsection (a) shall give preference to  
6                   projects that—

7                   (A) link the energy systems of 2 or more  
8                   European or Eurasian countries;

9                   (B) have already been identified by the  
10                  European Commission as being integral for the  
11                  energy security of European countries;

12                  (C) are expected to enhance energy market  
13                  integration;

14                  (D) can attract funding from the private  
15                  sector, an international financial institution, the  
16                  government of the country in which the project  
17                  will be carried out, or the European Commis-  
18                  sion; or

19                  (E) have the potential to use United States  
20                  goods and services during project implementa-  
21                  tion.

22                  (c) TYPES OF ASSISTANCE.—

23                  (1) DIPLOMATIC AND POLITICAL SUPPORT.—

24                  The Secretary of State shall provide diplomatic and  
25                  political support to the European Commission and

1 the governments of European and Eurasian coun-  
2 tries, as necessary, including by using the diplomatic  
3 and political influence and expertise of the Depart-  
4 ment of State to build the capacity of those coun-  
5 tries to resolve any impediments to the development  
6 of projects selected under subsection (b).

7 (2) EARLY-STAGE PROJECT SUPPORT.—The Di-  
8 rector of the Trade and Development Agency shall  
9 provide early-stage project support with respect to  
10 projects selected under subsection (b), as necessary.

11 (3) LATE-STAGE PROJECT SUPPORT.—Agencies  
12 described in subsection (a) that provide late-stage  
13 project support shall do so with respect to projects  
14 selected under subsection (b), as necessary.

15 (d) FUNDING.—

16 (1) PRIVATE SECTOR INVESTMENT.—The agen-  
17 cies described in subsection (a)—

18 (A) are authorized to obligate and expend  
19 not more than \$1,000,000,000 to support pri-  
20 vate sector investment in projects that diversify  
21 the energy sources and energy transport capa-  
22 bilities of European and Eurasian countries and  
23 to improve energy market integration in those  
24 countries; and

1 (B) shall ensure that amounts from such  
2 investments are available for fiscal years 2020  
3 through 2024 for debt financing and insurance  
4 for projects under this section.

5 (2) AUTHORIZATION OF APPROPRIATIONS FOR  
6 TRADE AND DEVELOPMENT AGENCY.—There are au-  
7 thORIZED to be appropriated to the Director of the  
8 Trade and Development Agency for each of fiscal  
9 years 2020 through 2024—

10 (A) \$5,000,000 to provide assistance under  
11 this section; and

12 (B) such sums as may be necessary for the  
13 Agency to employ additional personnel to pro-  
14 vide such assistance.

15 (3) COUNTERING RUSSIAN INFLUENCE FUND.—  
16 Section 254(b) of the Countering Russian Influence  
17 in Europe and Eurasia Act of 2017 (22 U.S.C.  
18 9543(b)) is amended by adding at the end the fol-  
19 lowing:

20 “(7) To assist United States agencies in pro-  
21 viding assistance under section 4 of the European  
22 Energy Security and Diversification Act of 2019.”.

23 **SEC. 5. PROGRESS REPORTS.**

24 Not later than one year after the date of the enact-  
25 ment of this Act, and annually thereafter, the President



1 shall submit to the Committee on Foreign Relations of the  
2 Senate and the Committee on Foreign Affairs of the  
3 House of Representatives a report on progress made in  
4 providing assistance for projects under section 4 that in-  
5 cludes—

6 (1) a description of the energy infrastructure  
7 projects the United States has identified for such as-  
8 sistance; and

9 (2) for each such project—

10 (A) a description of the role of the United  
11 States in the project, including in early-stage  
12 project support and late-stage project support;

13 (B) the amount and form of any debt fi-  
14 nancing and insurance provided by the United  
15 States Government for the project;

16 (C) the amount and form of any early-  
17 stage project support; and

18 (D) an update on the progress made on  
19 the project as of the date of the report.

20 Amend the title to read as follows: “A bill to prioritize  
21 the efforts of and enhance coordination among United  
22 States agencies to encourage European and Eurasian  
23 countries to diversify their energy sources and supply  
24 routes, increase Europe’s energy security, and help the

- 1 United States reach its global energy security goals, and
- 2 for other purposes.”.