

TRAFFICKING PREVENTION IN FOREIGN AFFAIRS CONTRACTING
ACT; CONDEMNING THE COWARDLY ATTACK ON INNOCENT
MEN, WOMEN AND CHILDREN IN THE NORTHEASTERN
NIGERIAN TOWN OF BAGA; AND NORTH KOREA SANCTIONS
ENFORCEMENT ACT OF 2015

MARKUP

BEFORE THE

COMMITTEE ON FOREIGN AFFAIRS
HOUSE OF REPRESENTATIVES

ONE HUNDRED FOURTEENTH CONGRESS

FIRST SESSION

ON

H.R. 400, H. Res. 53 and H.R. 757

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FEBRUARY 27, 2015
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**TRAFFICKING PREVENTION IN FOREIGN AFFAIRS
CONTRACTING ACT; CONDEMNING THE COWARDLY ATTACK
ON INNOCENT MEN, WOMEN AND CHILDREN IN THE
NORTHEASTERN NIGERIAN TOWN OF BAGA; AND NORTH
KOREA SANCTIONS ENFORCEMENT ACT OF 2015**

FRIDAY, FEBRUARY 27, 2015

HOUSE OF REPRESENTATIVES,
COMMITTEE ON FOREIGN AFFAIRS,
Washington, DC.

The committee met, pursuant to notice, at 9:38 a.m., in room 2172, Rayburn House Office Building, Hon. Ed Royce (chairman of the committee) presiding.

Chairman ROYCE. The committee will come to order. Pursuant to notice, we meet today to mark up three bipartisan measures and, without objection, all members may have 5 days to submit any statements for the record or extraneous materials on any of today's business. As all members were notified yesterday, we intend to consider our first two measures en bloc.

And so, without objection, the following items will be considered en bloc and are considered as read: H.R. 400, the Trafficking Prevention in Foreign Affairs Contracting Act; House Resolution 53, a resolution condemning the cowardly attacks on innocent men, women, and children in Northeast Nigeria; and Kelly amendment No. 14, in the nature of a substitute to House Resolution 53. And after recognizing myself and Mr. Engel, I will be pleased to recognize any Member seeking recognition to speak on these two measures.

[The information referred to follows:]

114TH CONGRESS
1ST SESSION

H. R. 400

To require the Secretary of State and the Administrator of the United States Agency for International Development to submit reports on definitions of placement and recruitment fees for purposes of enabling compliance with the Trafficking Victims Protection Act of 2000, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 16, 2015

Mr. ROYCE (for himself and Mr. ENGEL) introduced the following bill; which was referred to the Committee on Foreign Affairs

A BILL

To require the Secretary of State and the Administrator of the United States Agency for International Development to submit reports on definitions of placement and recruitment fees for purposes of enabling compliance with the Trafficking Victims Protection Act of 2000, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This bill may be referred to as the “Trafficking Pre-
5 vention in Foreign Affairs Contracting Act”.

1 **SEC. 2. FINDINGS.**

2 Congress finds the following:

3 (1) The Department of State and the United
4 States Agency for International Development
5 (USAID) rely on contractors to provide various serv-
6 ices in foreign countries such as construction, secu-
7 rity, and facilities maintenance.

8 (2) In certain cases, such as where the employ-
9 ment of local labor is impractical or poses security
10 risks, Department of State and USAID contractors
11 sometimes employ foreign workers who are citizens
12 neither of the United States nor of the host country
13 and are recruited from developing countries where
14 low wages and recruitment methods often make
15 them vulnerable to a variety of trafficking-related
16 abuses.

17 (3) A January 2011 report of the Office of the
18 Inspector General for the Department of State,
19 while it found no evidence of direct coercion by con-
20 tractors, found that a significant majority of their
21 foreign workers in certain Middle East countries re-
22 ported paying substantial fees to recruiters that, ac-
23 cording to the Inspector General, “effectively re-
24 sulted in debt bondage at their destinations”. Ap-
25 proximately one-half of the workers were charged re-
26 cruitment fees equaling more than six months’ sal-

1 ary. More than a quarter of the workers reported
2 fees greater than one year's salary and, in some of
3 those cases, fees that could not be paid off in two
4 years, the standard length of a contract.

5 (4) A November 2014 report of the United
6 States Government Accountability Office (GAO-15-
7 102) found that the Department of State, USAID,
8 and the Defense Department need to strengthen
9 their oversight of contractors' use of foreign workers
10 in high-risk environments in order to better protect
11 against trafficking in persons.

12 (5) The GAO report recommended that those
13 agencies should develop more precise definitions of
14 recruitment fees, and that they should better ensure
15 that contracting officials include prevention of traf-
16 ficking in persons in contract monitoring plans and
17 processes, especially in areas where the risk of traf-
18 ficking in persons is high.

19 (6) Of the three agencies addressed in the GAO
20 report, only the Department of Defense expressly
21 concurred with GAO's definitional recommendation
22 and committed to defining recruitment fees and to
23 incorporating that definition in its acquisition regu-
24 lations as necessary.

1 (7) In formal comments to GAO, the Depart-
2 ment of State stated that it forbids the charging of
3 any recruitment fees by contractors, and both the
4 Department of State and USAID noted a proposed
5 Federal Acquisition Regulation (FAR) rule that pro-
6 hibits charging any recruitment fees to employees.

7 (8) However, according to GAO, neither the
8 Department of State nor USAID specifically defines
9 what constitutes a prohibited recruitment fee: “Con-
10 tracting officers and agency officials with monitoring
11 responsibilities currently rely on policy and guidance
12 regarding recruitment fees that are ambiguous.
13 Without an explicit definition of the components of
14 recruitment fees, prohibited fees may be renamed
15 and passed on to foreign workers, increasing the risk
16 of debt bondage and other conditions that contribute
17 to trafficking.”.

18 (9) GAO found that, although Department of
19 State and USAID guidance requires their respective
20 contracting officials to monitor compliance with traf-
21 ficking in persons requirements, they did not con-
22 sistently have specific processes in place to do so in
23 all of the contracts that GAO sampled.

1 **SEC. 3. REPORTS ON DEFINITION OF PLACEMENT AND RE-**
2 **CRUITMENT FEES AND ENHANCEMENT OF**
3 **CONTRACT MONITORING TO PREVENT TRAF-**
4 **FICKING IN PERSONS.**

5 (a) DEPARTMENT OF STATE REPORT.—Not later
6 than 180 days after the date of the enactment of this Act,
7 the Secretary of State shall submit to the appropriate
8 committees of Congress a report that includes the matters
9 described in subsection (c) with respect to the Department
10 of State.

11 (b) USAID REPORT.—Not later than 180 days after
12 the date of the enactment of this Act, the Administrator
13 of the United States Agency for International Develop-
14 ment (USAID) shall submit to the appropriate committees
15 of Congress a report that includes the matters described
16 in subsection (c) with respect to USAID.

17 (c) MATTERS TO BE INCLUDED.—The matters de-
18 scribed in this subsection are the following:

19 (1) A proposed definition of placement and re-
20 cruitment fees for purposes of complying with sec-
21 tion 106(g)(iv)(IV) of the Trafficking Victims Pro-
22 tection Act of 2000 (22 U.S.C. 7104(g)(iv)(IV)), in-
23 cluding a description of what fee components and
24 amounts are prohibited or are permissible for con-
25 tractors or their agents to charge workers under
26 such section.

1 (2) An explanation of how the definition de-
2 scribed in paragraph (1) will be incorporated into
3 grants, contracts, cooperative agreements, and con-
4 tracting practices, so as to apply to the actions of
5 grantees, subgrantees, contractors, subcontractors,
6 labor recruiters, brokers, or other agents, as speci-
7 fied in section 106(g) of the Trafficking Victims
8 Protection Act of 2000 (22 U.S.C. 7104(g)).

9 (3) A description of actions taken during the
10 180-day period preceding the date of submission of
11 the report and planned to be taken during the one-
12 year period following the date of submission of the
13 report to better ensure that officials responsible for
14 grants, contracts, and cooperative agreements and
15 contracting practices include the prevention of traf-
16 ficking in persons in plans and processes to monitor
17 such grants, contracts, and cooperative agreements
18 and contracting practices, particularly as such agree-
19 ments and contracting practices relate to areas of
20 the world in which the risk of trafficking in persons
21 is high.

22 (d) APPROPRIATE COMMITTEES OF CONGRESS.—In
23 this section, the term “appropriate committees of Con-
24 gress” means the Committee on Foreign Affairs of the

1 House of Representatives and the Committee on Foreign
2 Relations of the Senate.

3 **SEC. 4. DEFINITION.**

4 In this Act, the term “trafficking in persons” has the
5 meaning given the term in section 103(9) of the Traf-
6 ficking Victims Protection Act of 2000 (22 U.S.C.
7 7102(9)).

114TH CONGRESS
1ST SESSION

H. RES. 53

Condemning the cowardly attack on innocent men, women, and children
in the northeastern Nigerian town of Baga.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 27, 2015

Ms. KELLY of Illinois submitted the following resolution; which was referred
to the Committee on Foreign Affairs

RESOLUTION

Condemning the cowardly attack on innocent men, women,
and children in the northeastern Nigerian town of Baga.

Whereas, on the night of January 3, 2015, the terrorist
group Boko Haram launched a cowardly attack on inno-
cent men, women, and children in the northeastern Nige-
rian town of Baga;

Whereas the terrorists of Boko Haram used assault rifles,
grenade launchers, and fire to slaughter innocent civil-
ians;

Whereas the scope of casualties in this attack totals in the
hundreds and possibly thousands;

Whereas most of the victims of this attack were women, chil-
dren, and elderly people;

Whereas Amnesty International describes the attack as the terrorist group's "deadliest massacre" to date;

Whereas local defense groups are reported to have given up counting the bodies left lying on the streets of Baga;

Whereas these unprovoked attacks have resulted in many Nigerians being not likely to vote in the upcoming Presidential elections;

Whereas human rights groups have indicated that the Nigerian state security forces should improve efforts to protect civilians during offensive operations against Boko Haram;

Whereas numerous reports have indicated security forces in the region are fleeing when confronted by Boko Haram;

Whereas Boko Haram now reportedly controls Baga and 16 neighboring towns in northeastern Nigeria;

Whereas this terrorist group killed 10,000 people in Nigeria alone in 2014; and

Whereas Boko Haram has displaced over 1,000,000 innocent people: Now, therefore, be it

1 *Resolved*, That the House of Representatives—

2 (1) expresses its strong support for the people
3 of Nigeria, especially the men, women, and children
4 in the northeastern Nigerian town of Baga who were
5 victimized, abducted, trafficked, and murdered by
6 the terrorist group Boko Haram;

7 (2) condemns Boko Haram for its violent at-
8 tacks on civilian targets, including schools, mosques,

1 churches, villages, and agricultural centers in Nige-
2 ria;

3 (3) encourages the Government of Nigeria to
4 strengthen efforts to protect civilians from the ter-
5 rorists of Boko Haram;

6 (4) supports offers of United States assistance
7 to the Government of Nigeria in the search for the
8 school girls abducted by Boko Haram; and

9 (5) encourages the Government of Nigeria to
10 work with the United States, and other governments
11 in the region such as Chad, Niger, and Cameroon,
12 to defeat Boko Haram.

**AMENDMENT IN THE NATURE OF A SUBSTITUTE
TO H. RES. 53
OFFERED BY MS. KELLY OF ILLINOIS**

Strike the preamble and insert the following:

Whereas on the night of January 3, 2015, the terrorist group Boko Haram launched a horrific attack on innocent men, women, and children in the northeastern Nigerian town of Baga;

Whereas the terrorists of Boko Haram used assault rifles, grenade launchers, and fire to slaughter innocent civilians and the scope of casualties in this one attack totals in the hundreds and possibly thousands;

Whereas some nongovernmental organizations have described the attack in Baga as the terrorist group's "deadliest massacre" to date;

Whereas Nigerian security forces have been largely unable to prevent Boko Haram's territorial advances in the northeast since July 2014;

Whereas human rights groups have indicated that the Nigerian state security forces should improve efforts to protect civilians during offensive operations against Boko Haram;

Whereas this Islamist terrorist group, designated as a United States Foreign Terrorist Organization in November 2013, has killed over 5,000 people in Nigeria in 2014 alone and displaced over 1,000,000 innocent people;

Whereas Boko Haram has launched attacks in the neighboring countries of Cameroon, Niger, and Chad;

Whereas Boko Haram's leadership have voiced support for and received some funding and training from other Islamist terrorist groups, such as al Qaeda and its affiliates and has recently embraced propaganda tactics similar to the Islamic State of Iraq and Levant;

Whereas Boko Haram has abducted hundreds of civilians, using women and children as slaves, subjecting them to sexual abuse, and deploying them as suicide bombers, and forcibly recruiting boys as child soldiers;

Whereas Boko Haram has threatened to disrupt the Nigerian elections and attacks such as the one in Baga may result in many Nigerians being unable to vote in the upcoming national elections;

Whereas election-related violence in Nigeria has occurred in successive elections, including in 2011, when nearly 800 people died and some 65,000 were displaced in clashes following the presidential election;

Whereas President Goodluck Jonathan, Major General (retired) Muhammadu Buhari, and other presidential candidates signed the "Abuja Accord" on January 14, 2015, committing themselves and their campaigns to refrain from public statements that incite violence, to run on issue-based platforms that do not seek to divide citizens along religious or ethnic lines, and to support the impartial conduct of the electoral commission and the security services;

Whereas Secretary of State John Kerry traveled to Nigeria on January 25, 2015, to emphasize the importance of en-

sure the upcoming elections are peaceful, nonviolent, and credible;

Whereas Nigeria was scheduled to hold national elections on February 14, 2015, but the elections were postponed for 6 weeks and are now scheduled for March 28, 2015;

Whereas political tensions in the country are high, and either electoral fraud or violence could undermine the credibility of the upcoming election;

Whereas Nigeria is Africa's largest economy, biggest oil producer, and most populous nation, making it an influential country in the region; and

Whereas Nigeria is an important partner of the United States and it is in the best interest of the United States to maintain close ties with Nigeria: Now, therefore, be it

Strike all after the resolving clause and insert the following:

That the House of Representatives—

1 (1) expresses its strong support for the people
2 of Nigeria, especially the men, women, and children
3 in northeastern Nigeria, including the town of Baga,
4 who have been terrorized, abducted, trafficked, and
5 murdered by the terrorist group Boko Haram;

6 (2) condemns Boko Haram for its violent at-
7 tacks on civilian targets, including schools, mosques,
8 churches, villages, and markets in Nigeria;

1 (3) encourages the Government of Nigeria to
2 strengthen efforts to protect civilians from the ter-
3 rorists of Boko Haram, including through coopera-
4 tion with neighboring countries and other inter-
5 national actors;

6 (4) urges all political candidates to uphold the
7 commitments outlined in the “Abuja Accord” and
8 the Government of Nigeria to hold their elections
9 without further delay on March 28, 2015;

10 (5) remains committed to protecting democratic
11 principles and universal human rights worldwide;

12 (6) supports efforts of United States assistance
13 to the Government of Nigeria to combat Boko
14 Haram and the search of those who have been ab-
15 ducted by Boko Haram; and

16 (7) applauds the countries of the region and the
17 African Union for their efforts to establish a re-
18 gional security force, which will include Chad, Niger,
19 Nigeria, Cameroon, and Benin, to combat Boko
20 Haram and supports offers robust security of assist-
21 ance to strengthen the force’s capacity.

Amend the title so as to read: “A resolution con-
demning the cowardly attacks on innocent men, women,
and children in northeastern Nigeria by Boko Haram and
urging a peaceful and credible national election.”.



Chairman ROYCE. So we begin with H.R. 400, Trafficking Prevention in Foreign Affairs Contracting Act. And this has to do with a problem that we have at some of our posts overseas. The State Department, as you know, and the USAID rely on contractors to provide services like construction, security and maintenance. And those contractors employ foreign workers and often they are recruited from faraway developing countries, where they are vulnerable to abuse. And, in particular, labor recruiters may charge prospective employees recruitment fees or payments, basically, for the right to work. So current law prohibits U.S. contractors from, in theory, charging foreign workers unreasonable recruitment fees and the State Department claims to prohibit any recruitment fees at all.

However, neither State nor USAID have defined what constitutes a recruitment fee. And this ambiguity, unfortunately, has allowed some recruiters to simply rename these fees and continue charging them. And this is a serious problem.

We have a 2011 report by the State Department Inspector General, and in that report they found that a majority of State's foreign contract workers in certain Middle Eastern countries were paying substantial fees to recruiters, sometimes more than a year's salary, resulting in—and this is in the words of the Inspector General—"effective debt bondage." To ensure that our overseas contracting does not feed the problem, this bill requires State and USAID to define what prohibited recruitment fees are and to report to Congress on their plans to improve contract monitoring to protect against human trafficking.

Then, the other bill I will mention is amendment to House Resolution 53, a resolution condemning Boko Haram and urging a peaceful and credible national election. And last month Boko Haram launched what some say is the worst attack to date, a powerful statement if you think of their previous atrocities, including kidnapping nearly 300 school girls in Chibok. But satellite images from Baga show a town now completely leveled, thousands, thousands of boys and girls, mothers, and fathers, killed in this attack. It is no wonder that Boko Haram is being called the ISIS of Africa. And this resolution condemns the attack and expresses support for U.S. security assistance to the recently established African Union Regional Force, stood up to fight Boko Haram. Alongside these security concerns, Nigeria is also facing a watershed Presidential election. The political environment is extremely tense. The Nigerian Government has already delayed elections originally scheduled for mid-February, and this resolution urges Nigeria to avoid any further delays as well.

I want to thank Representative Kelly for introducing this timely resolution, and I should also recognize the leadership of multiple committee members, including the Africa Subcommittee Chairman Smith on Nigeria—and Boko Haram in particular—along with Karen Bass, the ranking member on that subcommittee. I will now turn to Mr. Eliot Engel for his comments on these two measures.

Mr. ENGEL. Thank you very much, Mr. Chairman. And thank you for holding this markup and, as always, for working with us in a bipartisan manner. I strongly support the two measures in this en bloc, H.R. 400, Trafficking Prevention in Foreign Affairs

Contracting Act, and H. Res. 53, a resolution condemning the attacks by Boko Haram in Northeastern Nigeria.

Mr. Chairman, I want to commend your leadership on human trafficking issues. You mentioned all of the people, our colleagues who have done this, Mr. Smith for years, and so many other people on this committee. As you noted, current law prohibits U.S. Government contractors from charging foreign workers unreasonable placement and recruitment fees, but as the GAO has pointed out, neither the State Department nor USAID has adequately defined what “unreasonable” means. We don’t want to leave any ambiguity that could lead to debt bondage or any other form of human trafficking. The bill simply requires State Department and USAID to submit a report clarifying this definition.

Human trafficking is a modern slavery, a horrific crime and an assault on freedom and justice. As a leader in fighting this scourge, our Government needs to make sure that our procurement and contracting practices don’t lead to abuse or exploitation of workers. The bill before us today will help ensure taxpayer dollars aren’t inadvertently making this problem worse. I strongly support this legislation and urge all of my colleagues to do the same.

Mr. Chairman, I also support H. Res. 53, a resolution condemning Boko Haram and encouraging free, fair, and ontime elections in Nigeria. I want to commend our new colleague on the committee, Congresswoman Robin Kelly, for introducing this important measure and for her leadership on this issue. Nigeria is going through a very difficult period right now. The brutal terrorist group Boko Haram has continued its reign of terror ruthlessly killing hundreds of civilians in the northeast part of the country, and in a controversial move, Nigeria’s Presidential election has been postponed.

Over the past 5 years, Nigeria’s leaders have not dealt adequately with the challenge of Boko Haram. They must do better. And that is what this resolution says. It also applauds the efforts of other countries in the region, including Chad, Niger, and Cameroon, to cooperate in the offensive against Boko Haram.

With respect to Nigeria’s elections, I am deeply concerned by the 6-week delay announced earlier this month by the elected commission. Many believe this action was politically motivated. Nigeria is Africa’s largest democracy and economy. The continent cannot afford the illegitimate elections to undermine stability in that country. This resolution urges the Government of Nigeria to hold elections on March 28, and calls on all parties to refrain from violence. Credible elections in such an important country will help project stability across the continent.

So I urge my colleagues to as well support this important resolution.

Thank you, Mr. Chairman.

Chairman ROYCE. Thank you, Mr. Engel.

I want to turn next to Congresswoman Robin Kelly of Illinois, the author of House Resolution 53.

Ms. KELLY. Thank you, Mr. Chairman.

I want to extend my thanks to Chairman Royce, Ranking Member Engel, and the majority and minority staffs for their work in organizing today’s markup.

The resolution that I have offered in a substitute amendment is intended to serve as a direct message to Boko Haram that their terror and extremism will not be ignored. Their ideology will not be tolerated, and their legacy of savagery will not endure in the annals of history. Like so many across the world, I am outraged by the brutality and senselessness of Boko Haram's crimes. As we work with the international community to reduce the threat of terrorism around the world, we are reminded that Boko Haram has killed over 5,000 people in Nigeria in 2014 and displaced over 1 million innocent people.

Boko Haram has abducted hundreds of civilians using women and children as slaves and subjecting them to sexual abuse, suicide bombers, and child soldiers. Boko Haram has threatened to disrupt the Nigerian elections and intimidate would-be voters. Victimized innocent men, women, and children for perverse and ideological gain will never be tolerated or treated as just by the international community. With our vote today, this committee can affirm that we stand for the human rights, dignity, and security of the Nigerian people. We will not tolerate a world in which Boko Haram or any terrorist organization can slaughter innocent civilians; we respect the right of women to be educated without the threat of violence; and that we support free and fair elections that do not have the threat of suppression and intimidation lingering around them.

While they are not on this committee, I want to thank our colleagues Congresswomen Frederica Wilson and Corrine Brown for their leadership on this issue, and I again thank the chairman and ranking member for their work in marking up this resolution.

I yield back.

Chairman ROYCE. We turn now to Mr. Matt Salmon of Arizona.

Mr. SALMON. Thanks, Mr. Chairman, and thank you for drafting this important bill and bringing it up so quickly at the beginning of the Congress. I have consistently supported any measures and legislation that would hold North Korea accountable to its intolerable actions.

Chairman ROYCE. Mr. Salmon, we will take that bill up next, but right now, the en bloc amendment, sir.

Mr. SALMON. Oh, the en bloc amendment. Thank you.

Chairman ROYCE. Any other members seek to—Mr. Cicilline from Rhode Island.

Mr. CICILLINE. Thank you, Mr. Chairman.

I want to thank you and Ranking Member Engel for swiftly scheduling the first markup of a new Congress to address critical issues in the world right now. I am happy to see us move forward on a number of bills that I am very proud to have cosponsored. I am particularly grateful to the chairman and the ranking member for their leadership on human trafficking with the Trafficking Prevention in Foreign Affairs Contracting Act. Put simply, human trafficking is slavery. It violates the founding principles of the United States of life, liberty, and the pursuit of happiness, and humanity's very basic principle of respect. The United States must continue to lead efforts in combating human trafficking, and I am very pleased that we are marking up legislation to improve transparency and enforcement regarding the oversight of recruitment fees paid by foreign workers.

Finally, I was proud to cosponsor the resolution offered by my friend and colleague Congresswoman Robin Kelly condemning the violence and terrorism perpetrated by Boko Haram, abducting innocent students and forcing children into marriage or slavery is unconscionable. And no child in any part of the world should live in constant fear of kidnapping or death. We must send a strong message to Boko Haram that these heinous acts and their other terrorist activities are unacceptable. There is no question that the United States must do everything in its power to work with our partners to stop Boko Haram.

And I, too, want to acknowledge the advocacy and passionate work of our colleague, Congresswoman Frederica Wilson.

But also in our partnership with Nigeria, we must also enforce our expectations that the Nigerian Government is honest, fair, and treats all of its citizens with dignity.

Last year, Nigeria enacted a law which added additional criminal penalties against lesbian, gay, bisexual and transgender individuals. Although titled "The Same-Sex Marriage Prohibition bill," the law goes well beyond prohibiting marriage equality to actively discriminate against LGBT individuals and their allies in meaningful ways. Since enactment of the law, we have received reports of escalated violence, police and government oppression, and censorship. And while we commit to the full might of the United States to fighting Boko Haram, we cannot ignore egregious human rights violations at the same time.

Again, I commend the chairman and the ranking member for moving these important pieces of legislation, and I look forward to their passage, and I yield back.

Chairman ROYCE. Thank you, Mr. Cicilline.

We go now to Mr. Smith of New Jersey. His Africa Subcommittee has done key work on Nigeria and Boko Haram, pushing for its designation as a foreign terrorist organization.

Mr. SMITH. Mr. Chairman, thank you very much for bringing these bills before the committee and for your leadership on the trafficking bill. I think that is a very timely bill. The GAO report adds exclamation points to what this will seek to accomplish, the one that was done just a few months ago. So thank you for that leadership.

You know, on the whole idea of exploiting workers and falsifying recruitment procedures as well as recruitment fees, this has been a problem that has plagued our own procurement process. I held a series of hearings, Mr. Chairman, and two of them were joint hearings; one with Duncan Hunter when he was the chairman of the Armed Services Committee and the other with John McHugh when he was a subcommittee chairman. And we were able to probe and discover very, very egregious practices on the part of our own procurement, whereby contractors as well as recruitment people in Jordan and elsewhere were inviting people to come to work for us, only to be told once they got here that they couldn't leave. They were in substandard housing. Their passports were taken away from them, and then they were living in despicable circumstances and getting pay that was nowhere near what they were earning—or should have earned—and what they were promised.

It fits the definition of a labor trafficking offense. We have pressed repeatedly that in all procurement, across the board in the United States Government, that we set the standard, not be part of the problem but be part of the solution when it comes to purchasing and when it comes to employing people, particularly overseas. It has not been a good record. And, again, this I think helps us get further information, further clarification about how we can do much better.

I would also point out that, in 2003, when we did the reauthorization of the Trafficking Victims Protection Act, legislation that I was the author of, the act had specific language about contracting; and if a contractor is complicit in human trafficking, that not only are we able to take that contract away from them in a very expeditious way, but we will hold all those who are complicit in that trafficking labor or sex trafficking to account criminally so that we can bring charges against them. Again, you now bring further push, amplification, light, and scrutiny to what has not been a very good or well-executed policy, and I thank you for it.

Chairman ROYCE. I thank you. You still have time.

Mr. SMITH. Just briefly on the Boko Haram issue if I could. And Boko Haram, we can't say enough about how bad Boko Haram is, how lethal, how radical they are. They are radical Islamists. I have been, along with my staff director, Greg Simpkins. We have been to places like Jos. Jos is a place where several churches were firebombed, and I met with, as did Greg, with the survivors. And to hear them tell their stories about how they were targeted simply because they were Christians, no other reason. We had a man testify. I met him in an IDP camp in Jos. Adamu, his name was, and he was taken out of his house—he lived in the north—an AK-47 was put to his jaw and he was told, You renounce your faith in Christ, or I will blow your head off. Well, he said, I am willing to meet my Savior, and I am not going to renounce my faith. The Boko Haram terrorist pulled the trigger, blew the entire side of his face off.

When I met him, I was in awe of his courage, his faith, so we invited him here. He came and gave testimony, and Members who were there, you could have heard a pin drop when he explained what it is that he went through and the love, even after that, that he holds for those who were his tormenters. He has forgiven them. He wants them to stop, obviously, because this, like ISIS and like these other radical Islamists, like al-Shabaab and others, are on a tear to destroy Christianity, to destroy moderate Muslims as well.

So we need in this committee—and I thank you for doing this—to continually bring forward resolutions, statements, expressions, debate time, on Boko Haram. Let me also say, and I asked Secretary of State this just a couple of days ago, I think we are failing in our obligation to provide the training that the Nigerian military needs in order to operate an effective counterinsurgency operation. I have met with the people who do it in our Embassy in Abuja, wonderful military people. I have met with the military of Nigeria. I met with the Foreign Minister of Nigeria most recently, and I was encouraged by the Secretary's statement that this needs to be gotten back on track. But it has been slow. And it has not been as expansive enough.

There was a false statement made earlier in this debate by several that we couldn't vet sufficient numbers of Nigerian military pursuant to the Leahy amendment. So I convened a hearing on that, and we heard from not only a number of human rights organizations, but we also heard from the administration. And they said at least 50 percent of the Nigerian military could pass muster under the Leahy provision. So let's do it. They don't want our troops. They do need certain weapons and night-vision goggles and the like because we know Boko Haram often operates at night. But let's train these men and women and their officer corps so they can protect these children who are being abducted, the boys being killed, the young girls being abducted like the Chibok schoolgirls. I have met several of the lucky ones, the Chibok schoolgirls, both in Nigeria and a few that have made it here, to hear them tell their stories. It is just frightening, the horror that they live with, the PTSD that they now have to cope with in the middle of the night when they think of what that was like to have been taken hostage by this terrorist group.

The Nigerian military is capable. I have seen them, Mr. Chairman, all over the world, especially in Africa, but also in places like Sarajevo during the Balkan wars as peacekeepers. They have stepped up to the plate time and again. In Darfur, I was with a Nigerian group who were peacekeepers. They have done a very good job, but the skill set that they have needs to be ramped up. We are not doing it. So, again, I appeal to the administration. We need to work this out. I pleaded with them, let's get a jointness going with their military and get this training up and running to mitigate this threat and hopefully to abolish it.

And I thank you, Mr. Chairman.

Chairman ROYCE. Thank you, Mr. Smith.

Anyone else seeking recognition on this legislation?

Mr. Trott of Michigan.

Mr. TROTT. I want to thank the chairman and the ranking member for scheduling the markup of H.R. 400. We should obviously expect and demand transparency and accountability of contractors employing foreign workers. And when we discover practices that exacerbate human trafficking, we should demand not only detailed plans to correct the violations, but also penalties should be imposed.

I also want to thank the chairman for scheduling a markup of House Resolution 53. The aggression on the part of Boko Haram has been unconscionable and has been a breach of the principles of political and religious freedom that this country is built on. The ability to freely practice religion and participate in the political system has brought us prosperity and would bring prosperity to Nigeria as well. In this spirit, we should encourage Nigeria to not submit to terrorism and fear but instead move forward with their elections.

We stand with the Nigerian Government.

They have our support, and we thank the African Union for all of their efforts to combat this problem.

I yield back my time.

Chairman ROYCE. Hearing no further requests for recognition, the question occurs on the items considered en bloc.

All those in favor, say aye.

All those opposed, no.

In the opinion of the Chair, the ayes have it, and the measures are considered en bloc. H.R. 400 and the House Resolution 53, as amended by Kelly's amendment 14, are agreed to.

And I now call up H.R. 757.

Clerk, if you could read the bill.

Ms. MARTER. H.R. 757, a bill, to improve the enforcement of sanctions against the Government of North Korea, and for other purposes.

Chairman ROYCE. Without objection, the bill is considered as read and open for amendment at any point.

[The information referred to follows:]

114TH CONGRESS
1ST SESSION

H. R. 757

To improve the enforcement of sanctions against the Government of North Korea, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 5, 2015

Mr. ROYCE (for himself, Mr. ENGEL, Mr. POE of Texas, Mr. SHERMAN, Mr. SALMON, and Mr. KEATING) introduced the following bill; which was referred to the Committee on Foreign Affairs, and in addition to the Committees on Ways and Means, the Judiciary, Financial Services, and Oversight and Government Reform, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To improve the enforcement of sanctions against the Government of North Korea, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) **SHORT TITLE.**—This Act may be cited as the
5 “North Korea Sanctions Enforcement Act of 2015”.

6 (b) **TABLE OF CONTENTS.**—The table of contents for
7 this Act is as follows:

Sec. 1. Short title; table of contents.
Sec. 2. Findings.

Sec. 3. Definitions.

TITLE I—INVESTIGATIONS, PROHIBITED CONDUCT, AND PENALTIES

Sec. 101. Statement of policy.

Sec. 102. Investigations.

Sec. 103. Briefing to Congress.

Sec. 104. Designation of persons for prohibited conduct and mandatory and discretionary designation and sanctions authorities.

Sec. 105. Forfeiture of property.

TITLE II—SANCTIONS AGAINST NORTH KOREAN PROLIFERATION, HUMAN RIGHTS ABUSES, ILLICIT ACTIVITIES, AND SIGNIFICANT ACTIVITIES UNDERMINING CYBER SECURITY

Sec. 201. Determinations with respect to North Korea as a jurisdiction of primary money laundering concern.

Sec. 202. Ensuring the consistent enforcement of United Nations Security Council resolutions and financial restrictions on North Korea.

Sec. 203. Proliferation prevention sanctions.

Sec. 204. Procurement sanctions.

Sec. 205. Enhanced inspections authorities.

Sec. 206. Travel sanctions.

Sec. 207. Exemptions, waivers, and removals of designation.

Sec. 208. Report on those responsible for knowingly engaging in significant activities undermining cyber security.

TITLE III—PROMOTION OF HUMAN RIGHTS

Sec. 301. Information technology.

Sec. 302. Report on North Korean prison camps.

Sec. 303. Report on persons who are responsible for serious human rights abuses or censorship in North Korea.

TITLE IV—GENERAL AUTHORITIES

Sec. 401. Suspension of sanctions and other measures.

Sec. 402. Termination of sanctions and other measures.

Sec. 403. Authority to consolidate reports.

Sec. 404. Regulations.

Sec. 405. Effective date.

1 SEC. 2. FINDINGS.

2 Congress finds the following:

- 3 (1) The Government of North Korea has re-
- 4 peatedly violated its commitments to the complete,
- 5 verifiable, irreversible dismantlement of its nuclear
- 6 weapons programs, and has willfully violated mul-
- 7 tiple United Nations Security Council resolutions

1 calling for it to cease its development, testing, and
2 production of weapons of mass destruction.

3 (2) North Korea poses a grave risk for the pro-
4 liferation of nuclear weapons and other weapons of
5 mass destruction.

6 (3) The Government of North Korea has been
7 implicated repeatedly in money laundering and illicit
8 activities, including prohibited arms sales, narcotics
9 trafficking, the counterfeiting of United States cur-
10 rency, and the counterfeiting of intellectual property
11 of United States persons.

12 (4) The Government of North Korea has, both
13 historically and recently, repeatedly sponsored acts
14 of international terrorism, including attempts to as-
15 sassinate defectors and human rights activists, re-
16 peated threats of violence against foreign persons,
17 leaders, newspapers, and cities, and the shipment of
18 weapons to terrorists and state sponsors of ter-
19 rorism.

20 (5) North Korea has unilaterally withdrawn
21 from the 1953 Armistice Agreement that ended the
22 Korean War, and committed provocations against
23 South Korea in 2010 by sinking the warship
24 Cheonan and killing 46 of her crew, and by shelling
25 Yeonpyeong Island, killing four South Koreans.

1 (6) North Korea maintains a system of brutal
2 political prison camps that contain as many as
3 120,000 men, women, and children, who live in atro-
4 cious living conditions with insufficient food, cloth-
5 ing, and medical care, and under constant fear of
6 torture or arbitrary execution.

7 (7) The Congress reaffirms the purposes of the
8 North Korean Human Rights Act of 2004 contained
9 in section 4 of such Act (22 U.S.C. 7802).

10 (8) North Korea has prioritized weapons pro-
11 grams and the procurement of luxury goods, in defi-
12 ance of United Nations Security Council resolutions,
13 and in gross disregard of the needs of its people.

14 (9) The President has determined that the Gov-
15 ernment of North Korea is responsible for knowingly
16 engaging in significant activities undermining cyber
17 security with respect to United States persons and
18 interests, and for threats of violence against the ci-
19 vilian population of the United States.

20 (10) Persons, including financial institutions,
21 who engage in transactions with, or provide financial
22 services to, the Government of North Korea and its
23 financial institutions without establishing sufficient
24 financial safeguards against North Korea's use of
25 these transactions to promote proliferation, weapons

1 trafficking, human rights violations, illicit activity,
2 and the purchase of luxury goods, aid and abet
3 North Korea’s misuse of the international financial
4 system, and also violate the intent of relevant United
5 Nations Security Council resolutions.

6 (11) The Government of North Korea’s conduct
7 poses an imminent threat to the security of the
8 United States and its allies, to the global economy,
9 to the safety of members of the United States
10 Armed Forces, to the integrity of the global financial
11 system, to the integrity of global nonproliferation
12 programs, and to the people of North Korea.

13 (12) The Congress seeks, through this legisla-
14 tion, to use nonmilitary means to address this crisis,
15 to provide diplomatic leverage to negotiate necessary
16 changes in North Korea’s conduct, and to ease the
17 suffering of the people of North Korea.

18 **SEC. 3. DEFINITIONS.**

19 In this Act:

20 (1) APPLICABLE EXECUTIVE ORDER.—The
21 term “applicable Executive order” means—

22 (A) Executive Order No. 13382 (2005),
23 13466 (2008), 13551 (2010), or 13570 (2011),
24 to the extent that such Executive order author-
25 izes the imposition of sanctions on persons for

1 conduct, or prohibits transactions or activities,
2 involving the Government of North Korea; or

3 (B) any Executive order adopted on or
4 after the date of the enactment of this Act, to
5 the extent that such Executive order authorizes
6 the imposition of sanctions on persons for con-
7 duct, or prohibits transactions or activities, in-
8 volving the Government of North Korea.

9 (2) APPLICABLE UNITED NATIONS SECURITY
10 COUNCIL RESOLUTION.—The term “applicable
11 United Nations Security Council resolution”
12 means—

13 (A) United Nations Security Council Reso-
14 lution 1695 (2006), 1718 (2006), 1874 (2009),
15 2087 (2013), or 2094 (2013); or

16 (B) any United Nations Security Council
17 resolution adopted on or after the date of the
18 enactment of this Act, to the extent that such
19 resolution authorizes the imposition of sanctions
20 on persons for conduct, or prohibits trans-
21 actions or activities, involving the Government
22 of North Korea.

23 (3) APPROPRIATE CONGRESSIONAL COMMIT-
24 TEES.—The term “appropriate congressional com-
25 mittees” means—

1 (A) the Committee on Foreign Affairs, the
2 Committee on Ways and Means, and the Com-
3 mittee on Financial Services of the House of
4 Representatives; and

5 (B) the Committee on Foreign Relations
6 and the Committee on Banking, Housing, and
7 Urban Affairs of the Senate.

8 (4) DESIGNATED PERSON.—The term “des-
9 ignated person” means a person designated under
10 subsection (a) or (b) of section 104 for purposes of
11 applying one or more of the sanctions described in
12 title I or II of this Act with respect to the person.

13 (5) GOVERNMENT OF NORTH KOREA.—The
14 term “Government of North Korea” means—

15 (A) the Government of the Democratic
16 People’s Republic of Korea or any political sub-
17 division, agency, or instrumentality thereof; and

18 (B) any person owned or controlled by, or
19 acting for or on behalf of, the Government of
20 the Democratic People’s Republic of Korea.

21 (6) INTERNATIONAL TERRORISM.—The term
22 “international terrorism” has the meaning given
23 such term in section 140(d) of the Foreign Relations
24 Authorization Act, Fiscal Years 1988 and 1989 (22
25 U.S.C. 2656f(d)), and includes the conduct de-

1 scribed in section 212(a)(3)(B)(iii) of the Immigra-
2 tion and Nationality Act (8 U.S.C.
3 1182(a)(3)(B)(iii)), to the extent such conduct in-
4 volves the citizens of more than one country.

5 (7) LUXURY GOODS.—The term “luxury goods”
6 has the meaning given such term in subpart 746.4
7 of title 15, Code of Federal Regulations, and in-
8 cludes the items listed in Supplement No. 1 to such
9 regulation, and any similar items.

10 (8) MONETARY INSTRUMENT.—The term “mon-
11 etary instrument” has the meaning given such term
12 under section 5312 of title 31, United States Code.

13 (9) NORTH KOREAN FINANCIAL INSTITUTION.—
14 The term “North Korean financial institution”
15 means—

16 (A) a financial institution organized under
17 the laws of North Korea or any jurisdiction
18 within North Korea (including a foreign branch
19 of such institution);

20 (B) any financial institution located in
21 North Korea, except as may be excluded from
22 such definition by the President in accordance
23 with section 207(d);

1 (C) any financial institution, wherever lo-
2 cated, owned or controlled by the Government
3 of North Korea; and

4 (D) any financial institution, wherever lo-
5 cated, owned or controlled by a financial insti-
6 tution described in subparagraph (A), (B), or
7 (C).

8 (10) OTHER STORES OF VALUE.—The term
9 “other stores of value” means—

10 (A) prepaid access devices, tangible or in-
11 tangible prepaid access devices, or other instru-
12 ments or devices for the storage or transmission
13 of value, as defined in part 1010 of title 31,
14 Code of Federal Regulations; and

15 (B) any covered goods, as defined in sec-
16 tion 1027.100 of title 31, Code of Federal Reg-
17 ulations, and any instrument or tangible or in-
18 tangible access device used for the storage and
19 transmission of a representation of covered
20 goods, or other device, as defined in section
21 1027.100 of title 31, Code of Federal Regula-
22 tions.

23 (11) PERSON.—The term “person” means an
24 individual or entity as determined by the Secretary
25 of State and the Secretary of the Treasury.

1 (12) SIGNIFICANT ACTIVITIES UNDERMINING
2 CYBER SECURITY.—The term “significant activities
3 undermining cyber security” means—

4 (A) significant efforts to—

5 (i) deny access to or degrade, disrupt,
6 or destroy an information and communica-
7 tions technology system or network; or

8 (ii) exfiltrate information from such a
9 system or network without authorization;

10 (B) significant destructive malware at-
11 tacks;

12 (C) significant denial of service activities;

13 or

14 (D) such other significant activities as may
15 be described in regulations promulgated to im-
16 plement section 104.

17 (13) UNITED STATES PERSON.—The term
18 “United States person” means—

19 (A) a natural person who is a citizen of the
20 United States or who owes permanent alle-
21 giance to the United States; and

22 (B) a corporation or other legal entity
23 which is organized under the laws of the United
24 States, any State or territory thereof, or the
25 District of Columbia, if natural persons de-

1 scribed in subparagraph (A) own, directly or in-
2 directly, more than 50 percent of the out-
3 standing capital stock or other beneficial inter-
4 est in such legal entity.

5 **TITLE I—INVESTIGATIONS, PRO-**
6 **HIBITED CONDUCT, AND PEN-**
7 **ALTIES**

8 **SEC. 101. STATEMENT OF POLICY.**

9 In order to achieve the peaceful disarmament of
10 North Korea, Congress finds that it is necessary—

11 (1) to encourage all states to fully and promptly
12 implement United Nations Security Council Resolu-
13 tion 2094 (2013);

14 (2) to sanction—

15 (A) persons that facilitate proliferation of
16 weapons of mass destruction, illicit activities,
17 arms trafficking, imports of luxury goods, cash
18 smuggling, censorship, and knowingly engage in
19 significant activities undermining cyber security
20 by the Government of North Korea; and

21 (B) persons that fail to exercise due dili-
22 gence to ensure that financial institutions do
23 not facilitate any of the activities described in
24 subparagraph (A) by the Government of North
25 Korea;

1 (3) to deny the Government of North Korea ac-
2 cess to the funds it uses to obtain nuclear weapons,
3 ballistic missiles, offensive cyber capabilities, and
4 luxury goods instead of providing for the needs of its
5 people; and

6 (4) to enforce sanctions in a manner that
7 avoids any adverse humanitarian impact on the peo-
8 ple of North Korea to the extent possible and in a
9 manner that does not unduly constrain the enforce-
10 ment of such sanctions.

11 **SEC. 102. INVESTIGATIONS.**

12 The President shall initiate an investigation into the
13 possible designation of a person under section 104(a) upon
14 receipt by the President of credible information indicating
15 that such person has engaged in conduct described in sec-
16 tion 104(a).

17 **SEC. 103. BRIEFING TO CONGRESS.**

18 Not later than 180 days after the date of the enact-
19 ment of this Act, and periodically thereafter, the President
20 shall provide to the appropriate congressional committees
21 a briefing on efforts to implement this Act, to include the
22 following, to the extent the information is available:

23 (1) The principal foreign assets and sources of
24 foreign income of the Government of North Korea.

1 (2) A list of the persons designated under sub-
2 sections (a) and (b) of section 104.

3 (3) A list of the persons with respect to which
4 sanctions were waived or removed under section 207.

5 (4) A summary of any diplomatic efforts made
6 in accordance with section 202(b) and of the
7 progress realized from such efforts, including efforts
8 to encourage the European Union and other states
9 and jurisdictions to sanction and block the assets of
10 the Foreign Trade Bank of North Korea and
11 Daedong Credit Bank.

12 **SEC. 104. DESIGNATION OF PERSONS FOR PROHIBITED**
13 **CONDUCT AND MANDATORY AND DISCRE-**
14 **TIONARY DESIGNATION AND SANCTIONS AU-**
15 **THORITIES.**

16 (a) PROHIBITED CONDUCT AND MANDATORY DES-
17 IGNATION AND SANCTIONS AUTHORITY.—

18 (1) CONDUCT DESCRIBED.—Except as provided
19 in section 207, the President shall designate under
20 this subsection any person the President determines
21 to—

22 (A) have knowingly engaged in significant
23 activities or transactions with the Government
24 of North Korea that have materially contrib-
25 uted to the proliferation of weapons of mass de-

1 construction or their means of delivery (including
2 missiles capable of delivering such weapons), in-
3 cluding any efforts to manufacture, acquire,
4 possess, develop, transport, transfer, or use
5 such items;

6 (B) have knowingly imported, exported, or
7 reexported to, into, or from North Korea any
8 significant arms or related materiel, whether di-
9 rectly or indirectly;

10 (C) have knowingly provided significant
11 training, advice, or other services or assistance,
12 or engaged in significant transactions, related
13 to the manufacture, maintenance, or use of any
14 arms or related materiel to be imported, ex-
15 ported, or reexported to, into, or from North
16 Korea, or following their importation, expor-
17 tation, or reexportation to, into, or from North
18 Korea, whether directly or indirectly;

19 (D) have knowingly, directly or indirectly,
20 imported, exported, or reexported significant
21 luxury goods to or into North Korea;

22 (E) have knowingly engaged in or been re-
23 sponsible for censorship by the Government of
24 North Korea, including prohibiting, limiting, or
25 penalizing the exercise of freedom of expression

1 or assembly, limiting access to print, radio or
2 other broadcast media, Internet or other elec-
3 tronic communications, or the facilitation or
4 support of intentional frequency manipulation
5 that would jam or restrict an international sig-
6 nal;

7 (F) have knowingly engaged in or been re-
8 sponsible for serious human rights abuses by
9 the Government of North Korea, including tor-
10 ture or cruel, inhuman, or degrading treatment
11 or punishment, prolonged detention without
12 charges and trial, forced labor or trafficking in
13 persons, causing the disappearance of persons
14 by the abduction and clandestine detention of
15 those persons, and other denial of the right to
16 life, liberty, or the security of a person;

17 (G) have knowingly, directly or indirectly,
18 engaged in acts of money laundering, the coun-
19 terfeiting of goods or currency, bulk cash smug-
20 gling, narcotics trafficking, or other illicit activ-
21 ity that involves or supports the Government of
22 North Korea or any senior official thereof,
23 whether directly or indirectly; or

1 (H) have knowingly attempted to engage in
2 any of the conduct described in subparagraphs
3 (A) through (G) of this paragraph.

4 (2) EFFECT OF DESIGNATION.—With respect to
5 any person designated under this subsection, the
6 President—

7 (A) shall exercise the authorities of the
8 International Emergency Economic Powers Act
9 (50 U.S.C. 1705 et seq.) to block all property
10 and interests in property of any person des-
11 ignated under this subsection that are in the
12 United States, that hereafter come within the
13 United States, or that are or hereafter come
14 within the possession or control of any United
15 States person, including any overseas branch;
16 and

17 (B) may apply any of the sanctions de-
18 scribed in sections 204, 205(c), and 206.

19 (3) PENALTIES.—The penalties provided for in
20 section 206 of the International Emergency Eco-
21 nomic Powers Act (50 U.S.C. 1705) shall apply to
22 a person who violates, attempts to violate, conspires
23 to violate, or causes a violation of any prohibition
24 provided for in this subsection, or of an order or reg-
25 ulation prescribed under this Act, to the same extent

1 that such penalties apply to a person that commits
2 an unlawful act described in section 206(a) of that
3 Act (50 U.S.C. 1705(a)).

4 (4) DEFINITION.—In paragraph (1)(F), the
5 term “trafficking in persons” has the meaning given
6 the term in section 103(9) of the Trafficking Vic-
7 tims Protection Act of 2000 (22 U.S.C. 7102(9)).

8 (b) DISCRETIONARY DESIGNATION AND SANCTIONS
9 AUTHORITY.—

10 (1) CONDUCT DESCRIBED.—Except as provided
11 in section 207 and paragraph (3) of this subsection,
12 the President may designate under this subsection
13 any person that the President determines to—

14 (A) have knowingly engaged in, contrib-
15 uted to, assisted, sponsored, or provided finan-
16 cial, material or technological support for, or
17 goods and services in support of, any violation
18 of, or evasion of, an applicable United Nations
19 Security Council resolution;

20 (B) have knowingly facilitated the transfer
21 of any funds, financial assets, or economic re-
22 sources of, or property or interests in property
23 of a person designated under an applicable Ex-
24 ecutive order, or by the United Nations Secu-

1 rity Council pursuant to an applicable United
2 Nations Security Council resolution;

3 (C) have knowingly facilitated the transfer
4 of any funds, financial assets, or economic re-
5 sources, or any property or interests in property
6 derived from, involved in, or that has materially
7 contributed to conduct prohibited by subsection
8 (a) or an applicable United Nations Security
9 Council resolution;

10 (D) have knowingly facilitated any trans-
11 action, including any transaction in bulk cash
12 or other stores of value, without applying en-
13 hanced monitoring to ensure that such trans-
14 action does not contribute materially to conduct
15 described in subsection (a) an applicable Execu-
16 tive order, or an applicable United Nations Se-
17 curity Council resolution;

18 (E) have knowingly facilitated any trans-
19 actions in cash or monetary instruments or
20 other stores of value, including through cash
21 couriers transiting to or from North Korea,
22 used to facilitate any conduct prohibited by an
23 applicable United Nations Security Council res-
24 olution;

1 (F) have knowingly, directly or indirectly,
2 engaged in significant activities undermining
3 cyber security for, in support of on behalf of,
4 the Government of North Korea or any senior
5 official thereof, or have knowingly contributed
6 to the bribery of an official of the Government
7 of North Korea, the misappropriation, theft, or
8 embezzlement of public funds by, or for the
9 benefit of, an official of the Government of
10 North Korea, or the use of any proceeds of any
11 such conduct; or

12 (G) have knowingly and materially as-
13 sisted, sponsored, or provided significant finan-
14 cial, material, or technological support for, or
15 goods or services to or in support of, the con-
16 duct described in subparagraphs (A) through
17 (F) of this paragraph or the conduct described
18 in subparagraphs (A) through (G) of subsection
19 (a)(1).

20 (2) EFFECT OF DESIGNATION.—With respect to
21 any person designated under this subsection, the
22 President—

23 (A) may apply the sanctions described in
24 section 204;

1 (B) may apply any of the special measures
2 described in section 5318A of title 31, United
3 States Code;

4 (C) may prohibit any transactions in for-
5 eign exchange that are subject to the jurisdic-
6 tion of the United States and in which such
7 person has any interest;

8 (D) may prohibit any transfers of credit or
9 payments between financial institutions or by,
10 through, or to any financial institution, to the
11 extent that such transfers or payments are sub-
12 ject to the jurisdiction of the United States and
13 involve any interest of the person; and

14 (E) may exercise the authorities of the
15 International Emergency Economic Powers Act
16 (50 U.S.C. 1705 et seq.) without regard to sec-
17 tion 202 of such Act to block any property and
18 interests in property of any person designated
19 under this subsection that are in the United
20 States, that hereafter come within the United
21 States, or that are or hereafter come within the
22 possession or control of any United States per-
23 son, including any overseas branch.

24 (3) LIMITATION.—If the President determines
25 that a person has engaged in any conduct described

1 in subparagraphs (A) through (F) of paragraph (1)
2 that may also be construed to constitute conduct de-
3 scribed in subparagraphs (A) through (H) of sub-
4 section (a)(1), the President may not designate the
5 person under this subsection but rather shall des-
6 ignate the person under subsection (a).

7 (c) BLOCKING OF ALL PROPERTY AND INTERESTS
8 IN PROPERTY OF THE GOVERNMENT OF NORTH KOREA
9 AND THE WORKER'S PARTY OF KOREA.—Except as pro-
10 vided in section 207, the President shall exercise the au-
11 thorities of the International Emergency Economic Pow-
12 ers Act (50 U.S.C. 1705 et seq.) to block all property and
13 interests in property of the Government of North Korea
14 or the Worker's Party of Korea that on or after the date
15 of the enactment of this Act come within the United
16 States, or that come within the possession or control of
17 any United States person, including any overseas branch.

18 (d) APPLICATION.—The designation of a person
19 under subsection (a) or (b) and the blocking of property
20 and interests in property under subsection (c) shall also
21 apply with respect to a person who is determined to be
22 owned or controlled by, or to have acted or purported to
23 act for or on behalf of, directly or indirectly, any person
24 whose property and interests in property are blocked pur-
25 suant to this section.

1 (e) LICENSING.—

2 (1) LICENSE REQUIRED.—Not later than 180
3 days after the date of enactment of this Act, the
4 President shall promulgate regulations prohibiting
5 United States persons from engaging in any trans-
6 action involving any property—

7 (A) in which the Government of North
8 Korea has an interest;

9 (B) located in North Korea;

10 (C) of North Korean origin; or

11 (D) knowingly transferred, directly or indi-
12 rectly, to the Government of North Korea.

13 (2) TRANSACTION LICENSING.—The President
14 shall deny or revoke any license for any transaction
15 that, in the determination of the President, lacks
16 sufficient financial controls to ensure that such
17 transaction will not facilitate any of the conduct de-
18 scribed in subsection (a) or subsection (b).

19 (3) LICENSING AUTHORIZATION.—

20 (A) IN GENERAL.—Subject to subpara-
21 graph (B), the President may issue regulations
22 to authorize—

23 (i) transactions for the purposes de-
24 scribed in section 207; and

1 (ii) transactions and activities author-
2 ized under North Korean Human Rights
3 Act of 2004 (22 U.S.C. 7801 et seq.).

4 (B) PROHIBITION.—The President may
5 not issue regulations to authorize transactions
6 under clause (i) or (ii) of subparagraph (A) if
7 such transactions include any transactions with
8 the Government of North Korea.

9 **SEC. 105. FORFEITURE OF PROPERTY.**

10 (a) AMENDMENT TO PROPERTY SUBJECT TO FOR-
11 FEITURE.—Section 981(a)(1) of title 18, United States
12 Code, is amended by adding at the end the following new
13 subparagraph:

14 “(I) Any property, real or personal, that is in-
15 volved in a violation or attempted violation, or which
16 constitutes or is derived from proceeds traceable to
17 a violation, of section 104(a) of the North Korea
18 Sanctions Enforcement Act of 2015.”.

19 (b) AMENDMENT TO DEFINITION OF CIVIL FOR-
20 FEITURE STATUTE.—Section 983(i)(2)(D) of title 18,
21 United States Code, is amended—

22 (1) by striking “or the International Emergency
23 Economic Powers Act” and inserting “, the Inter-
24 national Emergency Economic Powers Act”; and

1 (2) by adding at the end before the semicolon
2 the following: “, or the North Korea Sanctions En-
3 forcement Act of 2015”.

4 (e) AMENDMENT TO DEFINITION OF SPECIFIED UN-
5 LAWFUL ACTIVITY.—Section 1956(c)(7)(D) of title 18,
6 United States Code, is amended—

7 (1) by striking “or section 92 of the Atomic
8 Energy Act of 1954” and inserting “section 92 of
9 the Atomic Energy Act of 1954”; and

10 (2) by adding at the end the following: “, or
11 section 104(a) of the North Korea Sanctions En-
12 forcement Act of 2015”.

13 **TITLE II—SANCTIONS AGAINST**
14 **NORTH KOREAN PROLIFERA-**
15 **TION, HUMAN RIGHTS**
16 **ABUSES, ILLICIT ACTIVITIES,**
17 **AND SIGNIFICANT ACTIVITIES**
18 **UNDERMINING CYBER SECU-**
19 **RITY**

20 **SEC. 201. DETERMINATIONS WITH RESPECT TO NORTH**
21 **KOREA AS A JURISDICTION OF PRIMARY**
22 **MONEY LAUNDERING CONCERN.**

23 (a) FINDINGS.—Congress makes the following find-
24 ings:

1 (1) The Undersecretary of the Treasury for
2 Terrorism and Financial Intelligence, who is respon-
3 sible for safeguarding the financial system against il-
4 licit use, money laundering, terrorist financing, and
5 the proliferation of weapons of mass destruction, has
6 repeatedly expressed concern about North Korea's
7 misuse of the international financial system as fol-
8 lows:

9 (A) In 2006, the Undersecretary stated
10 that, given North Korea's "counterfeiting of
11 U.S. currency, narcotics trafficking and use of
12 accounts worldwide to conduct proliferation-re-
13 lated transactions, the line between illicit and
14 licit North Korean money is nearly invisible"
15 and urged financial institutions worldwide to
16 "think carefully about the risks of doing any
17 North Korea-related business."

18 (B) In 2011, the Undersecretary stated
19 that "North Korea remains intent on engaging
20 in proliferation, selling arms as well as bringing
21 in material," and was "aggressively pursuing
22 the effort to establish front companies."

23 (C) In 2013, the Undersecretary stated, in
24 reference to North Korea's distribution of high-
25 quality counterfeit United States currency, that

1 “North Korea is continuing to try to pass a
2 supernote into the international financial sys-
3 tem,” and that the Department of the Treasury
4 would soon introduce new currency with im-
5 proved security features to protect against
6 counterfeiting by the Government of North
7 Korea.

8 (2) The Financial Action Task Force, an inter-
9 governmental body whose purpose is to develop and
10 promote national and international policies to com-
11 bat money laundering and terrorist financing, has
12 repeatedly—

13 (A) expressed concern at deficiencies in
14 North Korea’s regimes to combat money laun-
15 dering and terrorist financing;

16 (B) urged North Korea to adopt a plan of
17 action to address significant deficiencies in
18 these regimes and the serious threat they pose
19 to the integrity of the international financial
20 system;

21 (C) urged all jurisdictions to apply coun-
22 termeasures to protect the international finan-
23 cial system from ongoing and substantial money
24 laundering and terrorist financing risks ema-
25 nating from North Korea;

1 (D) urged all jurisdictions to advise their
2 financial institutions to give special attention to
3 business relationships and transactions with
4 North Korea, including North Korean compa-
5 nies and financial institutions; and

6 (E) called on all jurisdictions to protect
7 against correspondent relationships being used
8 to bypass or evade countermeasures and risk
9 mitigation practices, and take into account
10 money laundering and terrorist financing risks
11 when considering requests by North Korean fi-
12 nancial institutions to open branches and sub-
13 sidiaries in their jurisdiction.

14 (3) On March 7, 2013, the United Nations Se-
15 curity Council unanimously adopted Resolution
16 2094, which—

17 (A) welcomed the Financial Action Task
18 Force's recommendation on financial sanctions
19 related to proliferation, and its guidance on the
20 implementation of sanctions;

21 (B) decided that Member States should
22 apply enhanced monitoring and other legal
23 measures to prevent the provision of financial
24 services or the transfer of property that could
25 contribute to activities prohibited by applicable

1 United Nations Security Council resolutions;
2 and

3 (C) called on Member States to prohibit
4 North Korean banks from establishing or main-
5 taining correspondent relationships with banks
6 in their jurisdictions, to prevent the provision of
7 financial services, if they have information that
8 provides reasonable grounds to believe that
9 these activities could contribute to activities
10 prohibited by an applicable United Nations Se-
11 curity Council resolution, or to the evasion of
12 such prohibitions.

13 (b) SENSE OF CONGRESS REGARDING THE DESIGNA-
14 TION OF NORTH KOREA AS A JURISDICTION OF PRIMARY
15 MONEY LAUNDERING CONCERN.—Congress—

16 (1) acknowledges the efforts of the United Na-
17 tions Security Council to impose limitations on, and
18 require enhanced monitoring of, transactions involv-
19 ing North Korean financial institutions that could
20 contribute to sanctioned activities;

21 (2) urges the President, in the strongest terms,
22 to immediately designate North Korea as a jurisdic-
23 tion of primary money laundering concern, and to
24 adopt stringent special measures to safeguard the fi-
25 nancial system against the risks posed by North Ko-

1 rea's willful evasion of sanctions and its illicit activi-
2 ties; and

3 (3) urges the President to seek the prompt im-
4 plementation by other states of enhanced monitoring
5 and due diligence to prevent North Korea's misuse
6 of the international financial system, including by
7 sharing information about activities, transactions,
8 and property that could contribute to activities sanc-
9 tioned by applicable United Nations Security Council
10 resolutions, or to the evasion of sanctions.

11 (c) DETERMINATIONS REGARDING NORTH KOREA.—

12 (1) IN GENERAL.—The Secretary of the Treas-
13 ury shall, not later than 180 days after the date of
14 the enactment of this Act, determine, in consultation
15 with the Secretary of State and Attorney General,
16 and in accordance with section 5318A of title 31,
17 United States Code, whether reasonable grounds
18 exist for concluding that North Korea is a jurisdic-
19 tion of primary money laundering concern.

20 (2) SPECIAL MEASURES.—If the Secretary of
21 the Treasury determines under this subsection that
22 reasonable grounds exist for finding that North
23 Korea is a jurisdiction of primary money laundering
24 concern, the Secretary of the Treasury, in consulta-
25 tion with the Federal functional regulators, shall im-

1 pose one or more of the special measures described
2 in paragraphs (1) through (5) of section 5318A(b)
3 of title 31, United States Code, with respect to the
4 jurisdiction of North Korea.

5 (3) REPORT REQUIRED.—

6 (A) IN GENERAL.—If the Secretary of the
7 Treasury determines that North Korea is a ju-
8 risdiction of primary money laundering concern,
9 the Secretary of the Treasury shall, not later
10 than 90 days after the date on which the Sec-
11 retary makes such determination, submit to the
12 appropriate congressional committees a report
13 on the determination made under paragraph (1)
14 together with the reasons for that determina-
15 tion.

16 (B) FORM.—A report or copy of any re-
17 port submitted under this paragraph shall be
18 submitted in unclassified form but may contain
19 a classified annex.

20 **SEC. 202. ENSURING THE CONSISTENT ENFORCEMENT OF**
21 **UNITED NATIONS SECURITY COUNCIL RESO-**
22 **LUTIONS AND FINANCIAL RESTRICTIONS ON**
23 **NORTH KOREA.**

24 (a) FINDINGS.—Congress finds that—

1 (1) all states and jurisdictions are obligated to
2 implement and enforce applicable United Nations
3 Security Council resolutions fully and promptly, in-
4 cluding by—

5 (A) blocking the property of, and ensuring
6 that any property is prevented from being made
7 available to, persons designated by the Security
8 Council under applicable United Nations Secu-
9 rity Council resolutions;

10 (B) blocking any property associated with
11 an activity prohibited by applicable United Na-
12 tions Security Council resolutions; and

13 (C) preventing any transfer of property
14 and any provision of financial services that
15 could contribute to an activity prohibited by ap-
16 plicable United Nations Security Council resolu-
17 tions, or to the evasion of sanctions under such
18 resolutions;

19 (2) all states and jurisdictions share a common
20 interest in protecting the international financial sys-
21 tem from the risks of money laundering and illicit
22 transactions emanating from North Korea;

23 (3) the United States Dollar and the Euro are
24 the world's principal reserve currencies, and the
25 United States and the European Union are pri-

1 marily responsible for the protection of the inter-
2 national financial system from these risks;

3 (4) the cooperation of the People's Republic of
4 China, as North Korea's principal trading partner,
5 is essential to the enforcement of applicable United
6 Nations Security Council resolutions and to the pro-
7 tection of the international financial system;

8 (5) the report of the Panel of Experts estab-
9 lished pursuant to United Nations Security Council
10 Resolution 1874, dated June 11, 2013, expressed
11 concern about the ability of banks in states with less
12 effective regulators and those unable to afford effec-
13 tive compliance to detect and prevent illicit transfers
14 involving North Korea;

15 (6) North Korea has historically exploited in-
16 consistencies between jurisdictions in the interpreta-
17 tion and enforcement of financial regulations and
18 applicable United Nations Security Council resolu-
19 tions to circumvent sanctions and launder the pro-
20 ceeds of illicit activities;

21 (7) Amroggang Development Bank, Bank of
22 East Land, and Tanchon Commercial Bank have
23 been designated by the Secretary of the Treasury,
24 the United Nations Security Council, and the Euro-
25 pean Union;

1 (8) Korea Daesong Bank and Korea Kwangson
2 Banking Corporation have been designated by the
3 Secretary of the Treasury and the European Union;

4 (9) the Foreign Trade Bank of North Korea
5 has been designated by the Secretary of the Treas-
6 ury for facilitating transactions on behalf of persons
7 linked to its proliferation network, and for serving as
8 “a key financial node”; and

9 (10) Daedong Credit Bank has been designated
10 by the Secretary of the Treasury for activities pro-
11 hibited by applicable United Nations Security Coun-
12 cil resolutions, including the use of deceptive finan-
13 cial practices to facilitate transactions on behalf of
14 persons linked to North Korea’s proliferation net-
15 work.

16 (b) SENSE OF CONGRESS.—It is the sense of Con-
17 gress that the President should intensify diplomatic ef-
18 forts, both in appropriate international fora such as the
19 United Nations and bilaterally, to develop and implement
20 a coordinated, consistent, multilateral strategy for pro-
21 tecting the global financial system against risks emanating
22 from North Korea, including—

23 (1) the cessation of any financial services whose
24 continuation is inconsistent with applicable United
25 Nations Security Council resolutions;

1 (2) the cessation of any financial services to
2 persons, including financial institutions, that present
3 unacceptable risks of facilitating money laundering
4 and illicit activity by the Government of North
5 Korea;

6 (3) the blocking by all states and jurisdictions,
7 in accordance with the legal process of the state or
8 jurisdiction in which the property is held, of any
9 property required to be blocked under applicable
10 United Nations Security Council resolutions;

11 (4) the blocking of any property derived from il-
12 licit activity, from significant activities undermining
13 cyber security, from the misappropriation, theft, or
14 embezzlement of public funds by, or for the benefit
15 of, officials of the Government of North Korea;

16 (5) the blocking of any property involved in sig-
17 nificant activities undermining cyber security by the
18 Government of North Korea, directly or indirectly,
19 against United States persons, or the theft of intel-
20 lectual property by the Government of North Korea,
21 directly or indirectly from United States persons;
22 and

23 (6) the blocking of any property of persons di-
24 rectly or indirectly involved in censorship or human
25 rights abuses by the Government of North Korea.

1 **SEC. 203. PROLIFERATION PREVENTION SANCTIONS.**

2 (a) EXPORT OF CERTAIN GOODS OR TECHNOLOGY.—

3 (1) IN GENERAL.—Subject to section
4 207(a)(2)(C) of this Act, a license shall be required
5 for the export to North Korea of any goods or tech-
6 nology subject to the Export Administration Regula-
7 tions (part 730 of title 15, Code of Federal Regula-
8 tions) without regard to whether the Secretary of
9 State has designated North Korea as a country the
10 government of which has provided support for acts
11 of international terrorism, as determined by the Sec-
12 retary of State under section 6(j) of the Export Ad-
13 ministration Act of 1979 (50 U.S.C. App. 2045), as
14 continued in effect under the International Emer-
15 gency Economic Powers Act.

16 (2) PRESUMPTION OF DENIAL.—A license for
17 the export to North Korea of any goods or tech-
18 nology as described in paragraph (1) shall be subject
19 to a presumption of denial.

20 (b) TRANSACTIONS WITH COUNTRIES SUPPORTING
21 ACTS OF INTERNATIONAL TERRORISM.—

22 (1) ARMS EXPORT CONTROL ACT PROHIBI-
23 TIONS.—The prohibitions and restrictions described
24 in section 40 of the Arms Export Control Act (22
25 U.S.C. 2780), and other provisions provided for in
26 that Act, shall also apply to exporting or otherwise

1 providing (by sale, lease or loan, grant, or other
2 means), directly or indirectly, any munitions item to
3 the Government of North Korea without regard to
4 whether or not North Korea is a country with re-
5 spect to which subsection (d) of such section (relat-
6 ing to designation of state sponsors of terrorism) ap-
7 plies.

8 (2) FINANCIAL TRANSACTIONS.—Except as pro-
9 vided in section 207 of this Act and the North Ko-
10 rean Human Rights Act of 2004 (22 U.S.C. 7801
11 et seq.), the penalties provided for in section 2332d
12 of title 18, United States Code, shall apply to a
13 United States person that engages in a financial
14 transaction with the Government of North Korea on
15 or after the date of the enactment of this Act to the
16 same extent that such penalties apply to a United
17 States citizen that commits an unlawful act de-
18 scribed in section 2332d of title 18, United States
19 Code.

20 (c) TRANSACTIONS IN LETHAL MILITARY EQUIP-
21 MENT.—

22 (1) IN GENERAL.—The President shall withhold
23 assistance under the Foreign Assistance Act of 1961
24 (22 U.S.C. 2151 et seq.) to any country that pro-
25 vides lethal military equipment to, or receives lethal

1 military equipment from, the Government of North
2 Korea.

3 (2) APPLICABILITY.—The prohibition under
4 this subsection with respect to a country shall termi-
5 nate on the date that is 1 year after the date on
6 which such country ceases to provide lethal military
7 equipment to the Government of North Korea.

8 (3) WAIVER.—The President may, on a case-
9 by-case basis, waive the prohibition under this sub-
10 section with respect to a country for a period of not
11 more than 180 days, and may renew the waiver for
12 additional periods of not more than 180 days, if the
13 President determines and so reports to the appro-
14 priate congressional committees that it is vital to the
15 national security interests of the United States to
16 exercise such waiver authority.

17 **SEC. 204. PROCUREMENT SANCTIONS.**

18 (a) IN GENERAL.—Except as provided in this section,
19 the United States Government may not procure, or enter
20 into any contract for the procurement of, any goods or
21 services from any designated person.

22 (b) FAR.—The Federal Acquisition Regulation
23 issued pursuant to section 1303 of title 41, United States
24 Code, shall be revised to require a certification from each
25 person that is a prospective contractor that such person

1 does not engage in any of the conduct described in sub-
2 section (a) or (b) of section 104. Such revision shall apply
3 with respect to contracts in an amount greater than the
4 simplified acquisition threshold (as defined in section 134
5 of title 41, United States Code) for which solicitations are
6 issued on or after the date that is 90 days after the date
7 of the enactment of this Act.

8 (c) TERMINATION OF CONTRACTS AND INITIATION
9 OF SUSPENSION AND DEBARMENT PROCEEDING.—

10 (1) TERMINATION OF CONTRACTS.—Except as
11 provided in paragraph (2), the head of an executive
12 agency shall terminate a contract with a person who
13 has provided a false certification under subsection
14 (b).

15 (2) WAIVER.—The head of an executive agency
16 may waive the requirement under paragraph (1)
17 with respect to a person based upon a written find-
18 ing of urgent and compelling circumstances signifi-
19 cantly affecting the interests of the United States. If
20 the head of an executive agency waives the require-
21 ment under paragraph (1) for a person, the head of
22 the agency shall submit to the appropriate congress-
23 sional committees, within 30 days after the waiver is
24 made, a report containing the rationale for the waiv-

1 er and relevant information supporting the waiver
2 decision.

3 (3) INITIATION OF SUSPENSION AND DEBAR-
4 MENT PROCEEDING.—The head of an executive
5 agency shall initiate a suspension and debarment
6 proceeding against a person who has provided a
7 false certification under subsection (b). Upon deter-
8 mination of suspension, debarment, or proposed de-
9 barment, the agency shall ensure that such person
10 is entered into the Governmentwide database con-
11 taining the list of all excluded parties ineligible for
12 Federal programs pursuant to Executive Order No.
13 12549 (31 U.S.C. 6101 note; relating to debarment
14 and suspension) and Executive Order No. 12689 (31
15 U.S.C. 6101 note; relating to debarment and sus-
16 pension).

17 (d) CLARIFICATION REGARDING CERTAIN PROD-
18 UCTS.—The remedies specified in subsections (a) through
19 (c) shall not apply with respect to the procurement of eligi-
20 ble products, as defined in section 308(4) of the Trade
21 Agreements Act of 1979 (19 U.S.C. 2518(4)), of any for-
22 eign country or instrumentality designated under section
23 301(b) of such Act (19 U.S.C. 2511(b)).

24 (e) RULE OF CONSTRUCTION.—Nothing in this sub-
25 section may be construed to limit the use of other remedies

1 available to the head of an executive agency or any other
2 official of the Federal Government on the basis of a deter-
3 mination of a false certification under subsection (b).

4 (f) EXECUTIVE AGENCY DEFINED.—In this section,
5 the term “executive agency” has the meaning given such
6 term in section 133 of title 41, United States Code.

7 **SEC. 205. ENHANCED INSPECTIONS AUTHORITIES.**

8 (a) REPORT REQUIRED.—Not later than 180 days
9 after the date of the enactment of this Act, and every 180
10 days thereafter, the President, acting through the Sec-
11 retary of Homeland Security, shall submit to the appro-
12 priate congressional committees, the Committee on Home-
13 land Security of the House of Representatives, and the
14 Committee on Homeland Security and Governmental Af-
15 fairs of the Senate, a report identifying foreign sea ports
16 and airports whose inspections of ships, aircraft, and con-
17 veyances originating in North Korea, carrying North Ko-
18 rean property, or operated by the Government of North
19 Korea are deficient to effectively prevent the facilitation
20 of any of the activities described in section 104(a).

21 (b) ENHANCED SECURITY TARGETING REQUIRE-
22 MENTS.—Not later than 180 days after the identification
23 of any sea port or airport pursuant to subsection (a), the
24 Secretary of Homeland Security shall, utilizing the Auto-
25 mated Targeting System operated by the National Tar-

1 getting Center in U.S. Customs and Border Protection, re-
 2 quire enhanced screening procedures to determine if phys-
 3 ical inspections are warranted of any cargo bound for or
 4 landed in the United States that has been transported
 5 through such sea port or airport if there are reasonable
 6 grounds to believe that such cargo contains goods prohib-
 7 ited under this Act.

8 (c) SEIZURE AND FORFEITURE.—A vessel, aircraft,
 9 or conveyance used to facilitate any of the activities de-
 10 scribed in section 104(a) that comes within the jurisdic-
 11 tion of the United States may be seized and forfeited
 12 under chapter 46 of title 18, United States Code, or under
 13 the Tariff Act of 1930.

14 **SEC. 206. TRAVEL SANCTIONS.**

15 (a) ALIENS INELIGIBLE FOR VISAS, ADMISSION, OR
 16 PAROLE.—

17 (1) VISAS, ADMISSION, OR PAROLE.—An alien
 18 (or an alien who is a corporate officer of a person
 19 (as defined in subparagraph (B) or (C) of section
 20 3(11))) who the Secretary of State or the Secretary
 21 of Homeland Security (or a designee of one of such
 22 Secretaries) knows, or has reasonable grounds to be-
 23 lieve, is described in subsection (a)(1) or (b)(1) of
 24 section 104 is—

25 (A) inadmissible to the United States;

1 (B) ineligible to receive a visa or other doc-
2 umentation to enter the United States; and

3 (C) otherwise ineligible to be admitted or
4 paroled into the United States or to receive any
5 other benefit under the Immigration and Na-
6 tionality Act (8 U.S.C. 1101 et seq.).

7 (2) CURRENT VISAS REVOKED.—

8 (A) IN GENERAL.—The issuing consular
9 officer, the Secretary of State, or the Secretary
10 of Homeland Security (or a designee of one of
11 such Secretaries) shall revoke any visa or other
12 entry documentation issued to an alien who is
13 described in subsection (a)(1) or (b)(1) of sec-
14 tion 104 regardless of when issued.

15 (B) EFFECT OF REVOCATION.—A revoca-
16 tion under subparagraph (A)—

17 (i) shall take effect immediately; and

18 (ii) shall automatically cancel any
19 other valid visa or entry documentation
20 that is in the alien's possession.

21 (b) EXCEPTION TO COMPLY WITH UNITED NATIONS
22 HEADQUARTERS AGREEMENT.—Sanctions under sub-
23 section (a)(1)(B) shall not apply to an alien if admitting
24 the alien into the United States is necessary to permit the
25 United States to comply with the Agreement regarding the

1 Headquarters of the United Nations, signed at Lake Success
2 June 26, 1947, and entered into force November 21,
3 1947, between the United Nations and the United States,
4 or other applicable international obligations.

5 **SEC. 207. EXEMPTIONS, WAIVERS, AND REMOVALS OF DES-**
6 **IGNATION.**

7 (a) EXEMPTIONS.—

8 (1) MANDATORY EXEMPTIONS.—The following
9 activities shall be exempt from sanctions under section
10 104:

11 (A) Activities subject to the reporting requirements of title V of the National Security
12 Act of 1947 (50 U.S.C. 413 et seq.), or to any
13 authorized intelligence activities of the United
14 States.

15 (B) Any transaction necessary to comply
16 with United States obligations under the Agreement
17 between the United Nations and the
18 United States of America regarding the Headquarters
19 of the United Nations, signed June
20 26, 1947, and entered into force on November
21 21, 1947, or under the Vienna Convention on
22 Consular Relations, signed April 24, 1963, and
23 entered into force on March 19, 1967, or under
24 other international agreements.
25

1 (2) DISCRETIONARY EXEMPTIONS.—The fol-
2 lowing activities may be exempt from sanctions
3 under section 104 as determined by the President:

4 (A) Any financial transaction the exclusive
5 purpose for which is to provide humanitarian
6 assistance to the people of North Korea.

7 (B) Any financial transaction the exclusive
8 purpose for which is to import food products
9 into North Korea, if such food items are not de-
10 fined as luxury goods.

11 (C) Any transaction the exclusive purpose
12 for which is to import agricultural products,
13 medicine, or medical devices into North Korea,
14 provided that such supplies or equipment are
15 classified as designated “EAR 99” under the
16 Export Administration Regulations (part 730 of
17 title 15, Code of Federal Regulations) and not
18 controlled under—

19 (i) the Export Administration Act of
20 1979 (50 U.S.C. App. 2401 et seq.), as
21 continued in effect under the International
22 Emergency Economic Powers Act (50
23 U.S.C. 1701 et seq.);

24 (ii) the Arms Export Control Act (22
25 U.S.C. 2751 et seq.);

1 (iii) part B of title VIII of the Nu-
2 clear Proliferation Prevention Act of 1994
3 (22 U.S.C. 6301 et seq.); or

4 (iv) the Chemical and Biological
5 Weapons Control and Warfare Elimination
6 Act of 1991 (22 U.S.C. 5601 et seq.).

7 (b) WAIVER.—The President may waive, on a case-
8 by-case basis, the imposition of sanctions for a period of
9 not more than one year, and may renew that waiver for
10 additional periods of not more than one year, any sanction
11 or other measure under section 104, 204, 205, 206, or
12 303 if the President submits to the appropriate congres-
13 sional committees a written determination that the waiver
14 meets one or more of the following requirements:

15 (1) The waiver is important to the economic or
16 national security interests of the United States.

17 (2) The waiver will further the enforcement of
18 this Act or is for an important law enforcement pur-
19 pose.

20 (3) The waiver is for an important humani-
21 tarian purpose, including any of the purposes de-
22 scribed in section 4 of the North Korean Human
23 Rights Act of 2004 (22 U.S.C. 7802).

24 (c) REMOVALS OF SANCTIONS.—The President may
25 prescribe rules and regulations for the removal of sanc-

1 tions on a person that is designated under subsection (a)
2 or (b) of section 104 and the removal of designations of
3 a person with respect to such sanctions if the President
4 determines that the designated person has verifiably
5 ceased its participation in any of the conduct described
6 in subsection (a) or (b) of section 104, as the case may
7 be, and has given assurances that it will abide by the re-
8 quirements of this Act.

9 (d) FINANCIAL SERVICES FOR CERTAIN ACTIVI-
10 TIES.—The President may promulgate regulations, rules,
11 and policies as may be necessary to facilitate the provision
12 of financial services by a foreign financial institution that
13 is not controlled by the Government of North Korea in
14 support of the activities subject to exemption under this
15 section.

16 **SEC. 208. REPORT ON THOSE RESPONSIBLE FOR KNOW-**
17 **INGLY ENGAGING IN SIGNIFICANT ACTIVI-**
18 **TIES UNDERMINING CYBER SECURITY.**

19 (a) IN GENERAL.—The President shall submit to the
20 appropriate congressional committees a report on signifi-
21 cant activities undermining cyber security conducted, or
22 otherwise ordered or controlled, directly or indirectly, by
23 the Government of North Korea, including—

24 (1) the identity and nationality of persons that
25 have knowingly engaged in, directed, or provided

1 material support to significant activities under-
2 mining cyber security by the Government of North
3 Korea;

4 (2) the conduct engaged in by each person iden-
5 tified;

6 (3) the extent to which a foreign government
7 has provided material support to significant activi-
8 ties undermining cyber security conducted, or other-
9 wise ordered or controlled by, the Government of
10 North Korea; and

11 (4) the efforts made by the United States to en-
12 gage foreign governments to halt the capability of
13 North Korea to conduct significant activities under-
14 mining cyber security.

15 (b) SUBMISSION AND FORM.—

16 (1) SUBMISSION.—The report required under
17 subsection (a) shall be submitted not later than 90
18 days after the date of enactment of this Act, and
19 every 180 days thereafter for a period not to exceed
20 3 years.

21 (2) FORM.—The report required under sub-
22 section (a) shall be submitted in an unclassified
23 form, but may contain a classified annex.

1 (3) the reasons for confinement of the pris-
2 oners;

3 (4) the camp's primary industries and products,
4 and the end users of any goods produced in such
5 camp;

6 (5) the natural persons and agencies respon-
7 sible for conditions in the camp;

8 (6) the conditions under which prisoners are
9 confined, with respect to the adequacy of food, shel-
10 ter, medical care, working conditions, and reports of
11 ill-treatment of prisoners; and

12 (7) imagery, to include satellite imagery of each
13 such camp, in a format that, if published, would not
14 compromise the sources and methods used by the in-
15 telligence agencies of the United States to capture
16 geospatial imagery.

17 (b) FORM.—The report required under subsection (a)
18 may be included in the first report required to be sub-
19 mitted to Congress after the date of the enactment of this
20 Act under sections 116(d) and 502B(b) of the Foreign As-
21 sistance Act of 1961 (22 U.S.C. 2151n(d) and 2304(b))
22 (relating to the annual human rights report).

1 **SEC. 303. REPORT ON PERSONS WHO ARE RESPONSIBLE**
2 **FOR SERIOUS HUMAN RIGHTS ABUSES OR**
3 **CENSORSHIP IN NORTH KOREA.**

4 (a) **IN GENERAL.**—The Secretary of State shall sub-
5 mit to the appropriate congressional committees a report
6 that contains an identification of each person the Sec-
7 retary determines to be responsible for serious human
8 rights abuses or censorship in North Korea and a descrip-
9 tion of such abuses or censorship engaged in by such per-
10 son.

11 (b) **CONSIDERATION.**—In preparing the report re-
12 quired under subsection (a), the Secretary of State shall
13 give due consideration to the findings of the United Na-
14 tions Commission of Inquiry on Human Rights in North
15 Korea, and shall make specific findings with respect to
16 the responsibility of Kim Jong Un, and of each natural
17 person who is a member of the National Defense Commis-
18 sion of North Korea, or the Organization and Guidance
19 Department of the Workers' Party of Korea, for serious
20 human rights abuses and censorship.

21 (c) **DESIGNATION OF PERSONS.**—The President shall
22 designate under section 104(a) any person listed in the
23 report required under subsection (a) as responsible for se-
24 rious human rights abuses or censorship in North Korea.

25 (d) **SUBMISSION AND FORM.**—

1 (1) SUBMISSION.—The report required under
2 subsection (a) shall be submitted not later than 90
3 days after the date of the enactment of this Act, and
4 every 180 days thereafter for a period not to exceed
5 3 years, shall be included in each report required
6 under sections 116(d) and 502B(b) of the Foreign
7 Assistance Act of 1961 (22 U.S.C. 2151n(d) and
8 2304(b)) (relating to the annual human rights re-
9 port).

10 (2) FORM.—The report required under sub-
11 section (a) shall be submitted in unclassified form,
12 but may include a classified annex. The Secretary of
13 State shall also publish the unclassified part of the
14 report on the Department of State’s Web site.

15 **TITLE IV—GENERAL**

16 **AUTHORITIES**

17 **SEC. 401. SUSPENSION OF SANCTIONS AND OTHER MEAS-**
18 **URES.**

19 (a) IN GENERAL.—Any sanction or other measure
20 provided for in title I (or any amendment made by title
21 I) or title II may be suspended for up to 365 days upon
22 certification by the President to the appropriate congres-
23 sional committees that the Government of North Korea
24 has—

1 (1) verifiably ceased its counterfeiting of United
2 States currency, including the surrender or destruc-
3 tion of specialized materials and equipment used for
4 or particularly suitable for counterfeiting;

5 (2) taken significant steps toward financial
6 transparency to comply with generally accepted pro-
7 tocols to cease and prevent the laundering of mone-
8 tary instruments;

9 (3) taken significant steps toward verification
10 of its compliance with United Nations Security
11 Council Resolutions 1695, 1718, 1874, 2087, and
12 2094;

13 (4) taken significant steps toward accounting
14 for and repatriating the citizens of other countries
15 abducted or unlawfully held captive by the Govern-
16 ment of North Korea or detained in violation of the
17 1953 Armistice Agreement;

18 (5) accepted and begun to abide by internation-
19 ally recognized standards for the distribution and
20 monitoring of humanitarian aid;

21 (6) provided credible assurances that it will not
22 support further acts of international terrorism;

23 (7) taken significant and verified steps to im-
24 prove living conditions in its political prison camps;
25 and

1 (8) made significant progress in planning for
2 unrestricted family reunification meetings, including
3 for those individuals among the two million strong
4 Korean-American community who maintain family
5 ties with relatives in North Korea.

6 (b) RENEWAL OF SUSPENSION.—The suspension de-
7 scribed in subsection (a) may be renewed for additional
8 consecutive periods of 180 days upon certification by the
9 President to the appropriate congressional committees
10 that the Government of North Korea has continued to
11 comply with the conditions described in subsection (a) dur-
12 ing the previous year.

13 **SEC. 402. TERMINATION OF SANCTIONS AND OTHER MEAS-**
14 **URES.**

15 Any sanction or other measure provided for in title
16 I (or any amendment made by title I) or title II shall ter-
17 minate on the date on which the President determines and
18 certifies to the appropriate congressional committees that
19 the Government of North Korea has met the requirements
20 of section 401, and has also—

21 (1) completely, verifiably, and irreversibly dis-
22 mantled all of its nuclear, chemical, biological, and
23 radiological weapons programs, including all pro-
24 grams for the development of systems designed in
25 whole or in part for the delivery of such weapons;

1 (2) released all political prisoners, including the
2 citizens of North Korea detained in North Korea's
3 political prison camps;

4 (3) ceased its censorship of peaceful political
5 activity;

6 (4) taken significant steps toward the establish-
7 ment of an open, transparent, and representative so-
8 ciety;

9 (5) fully accounted for and repatriated all citi-
10 zens of all nations abducted or unlawfully held cap-
11 tive by the Government of North Korea or detained
12 in violation of the 1953 Armistice Agreement; and

13 (6) agreed with the Financial Action Task
14 Force on a plan of action to address deficiencies in
15 its anti-money laundering regime and begun to im-
16 plement this plan of action.

17 **SEC. 403. AUTHORITY TO CONSOLIDATE REPORTS.**

18 Any or all reports required to be submitted to appro-
19 priate congressional committees under this Act or any
20 amendment made by this Act that are subject to a dead-
21 line for submission consisting of the same unit of time may
22 be consolidated into a single report that is submitted to
23 appropriate congressional committees pursuant to such
24 deadline.

1 **SEC. 404. REGULATIONS.**

2 (a) IN GENERAL.—The President is authorized to
3 promulgate such rules and regulations as may be nec-
4 essary to carry out the provisions of this Act (which may
5 include regulatory exceptions), including under sections
6 203 and 205 of the International Emergency Economic
7 Powers Act (50 U.S.C. 1702 and 1704).

8 (b) RULE OF CONSTRUCTION.—Nothing in this Act
9 or any amendment made by this Act shall be construed
10 to limit the authority of the President pursuant to an ap-
11 plicable Executive order or otherwise pursuant to the
12 International Emergency Economic Powers Act (50
13 U.S.C. 1701 et seq.).

14 **SEC. 405. EFFECTIVE DATE.**

15 Except as otherwise provided in this Act, this Act and
16 the amendments made by this Act shall take effect on the
17 date of the enactment of this Act.

Chairman ROYCE. And, again, after recognizing myself and the ranking member, I am glad to recognize other members seeking recognition to speak on the underlying bill. And then we will consider en bloc a package of bipartisan amendments. And so this is the North Korea Sanctions Enforcement Act. And this relates to the attack in November, the cyberattack on Sony Pictures. North Korea, once again, reminded the world that behind its belligerent rhetoric is a country that poses a very real and a very serious threat to our security.

This bill, the North Korean Sanctions Enforcement Act, is a direct response to North Korea's continued aggression, and I want to thank the ranking member, Mr. Engel, who has been twice to North Korea, for working with me to introduce this bill, which is substantially similar to our North Korea sanctions bill that passed the House last July.

This bill codifies a robust array of tough sanctions against the regime and its enablers, much like the penalties that were successfully applied by the Treasury Department back in 2005 when the agency targeted a small bank in Macau that was complicit in Pyongyang's counterfeiting at the time. And this seriously crippled North Korea's financing and was one of the most effective steps we have taken against North Korea, until the sanctions were foolishly lifted in 2008 in exchange for fruitless negotiations over the country's nuclear program.

Nearly 7 years later, some analysts believe that North Korea has succeeded in miniaturizing a nuclear warhead. Some of you may have seen this reported yesterday, but they reportedly could be on track to have a stockpile of 100 atomic bombs within 5 years. It is time to end the administration's policy of strategic patience. And this bill will prevent Kim Jong-un and his top officials from reaching those assets they maintain in foreign banks, as well as the hard currency that sustains their rule.

The bill's sanctions target North Korea's money laundering, its counterfeiting, and its smuggling and narcotics trafficking, undermining these key finances of the regime's nuclear program. Disrupting North Korea's illicit activities will also place tremendous strain on the country's ruling elite who have done so much harm to the North Korean people. I have seen some of that harm firsthand in the eastern part of North Korea when I was there.

Last year, the U.N. Commission of Inquiry released the most comprehensive report on North Korea to date, finding that the Kim regime has for decades pursued policies involving crimes that "shock the conscience of humanity," in their words. H.R. 757 requires the State Department to use the Commission of Inquiry's findings to identify the individuals responsible for such abuses. And the bill also requires the administration to report on activities that seek to undermine our cybersecurity and to study the feasibility of bringing cellular and Internet communications to North Korea's people to break the information blockade.

We will now turn to Mr. Engel for his opening statement on North Korea Sanctions Enforcement Act.

Mr. ENGEL. Mr. Chairman, I want to personally thank you for bringing up this important bipartisan legislation. As always, you are clearheaded and determined and steady on important issues,

such as North Korea. You and I agree about the threat posed by North Korea. I want to thank you for giving this issue the attention it deserves, and I am proud to be the lead Democratic sponsor of the North Korea Sanctions Enforcement Act.

North Korea's unrelenting pursuit of nuclear weapons and ballistic missiles, their blazing disregard for international law, and their brutality against their own people has gone on for far too long. The United States and governments around the world must be clear to leaders in Pyongyang: The only way for the regime to end its political and economic isolation is to abandon its current course. This legislation sends just that message. Specifically, this bill broadens sanctions against North Korea. It targets those who are helping to sustain the Kim regime through illicit activities. It also enhances the enforcement of sanctions. I have been to North Korea twice, and I must tell you that the North Korean people certainly deserve better than what they have. This legislation gives the President important tools and the flexibility to act in a way that best serves our national interests. It also provides important exceptions to the humanitarian relief organizations providing food, medicine, and other assistance to the North Korean people. We have seen this regime's track record, a cyberattack against Sony Pictures in December of last year, gross human rights abuses against its own people, an illegal nuclear weapon's program. It is time to raise the costs on the Kim Jong-un government. This is the right legislation, the right time, and I urge my colleagues to support it.

I yield back, Mr. Chairman.

Chairman ROYCE. Thank you, Eliot. Do any other members seek recognition to speak on the bill?

Mr. Rohrabacher of California.

Mr. ROHRABACHER. Thank you.

First of all, I would like to thank both you and the ranking member for the leadership you have provided on this, and on this and a lot of issues that we have been facing. This is a really contentious time in our history, and we are lucky to have both of you and giving this committee and all of the rest of us the guidance and leadership we need.

I would just like to add on this particular bill, where we are focusing on North Korea, I would like to make sure that we go on the record—or at least I am on the record—as pointing out that many of the things that we are blaming North Korea for, which they deserve blame for, can be traced back to the influences of Beijing on their policies. The Communist Chinese, I am of certainty, are helping them in their efforts when it comes to nuclear weapons development, for example, and cyberattacks. I do not believe that all of these activities, which are criminal activities against the West and trying to put us in jeopardy and also especially aimed at putting Japan, we have to understand that much of what is going on in North Korea is aimed at sort of a—giving an ominous threat to Japan. And the Japanese are fully aware that this isn't just coming from North Korea. It is Beijing giving a message to Japan through their puppet state in North Korea. So I, just for the record, I want to make sure that we understand this is a chess game going on here, and the and the main player on the other side is Beijing.

So thank you very much to both of you, and I, of course, urge your support for this resolution.

Chairman ROYCE. Thank you, Mr. Rohrabacher.

Mr. Connolly of Virginia.

Mr. CONNOLLY. Thank you, Mr. Chairman, and I do want to thank you and Mr. Engel for your leadership.

This is a terribly important piece of legislation and maybe more critical now than ever. And adding the cyber piece, I echo what my friend Mr. Rohrabacher just said. I think that is critical. It was only a few years ago that the entire banking system of South Korea actually was shut down in a cyberattack almost certainly from the North. So reporting on that is very important. I want to thank you also for—I know we are supposed to speak to the underlying bill, but I have got to run back to another hearing where I am a ranking member, but two amendments that I authored, and I thank you and Mr. Engel for accepting them, one was in the core bill from last year, and this is, expanding reporting requirements, including asking the State Department to tell us, what are you telling China? What are you asking China to do with respect to the recommendations of the Commission of Inquiry on Human Rights in Korea? And I think that is actually very important. That China relationship is changing. It is evolving. It can be a critical piece of leverage we otherwise don't have. And so while it looks like a simple reporting requirement, actually, I am hopeful and I know that you and Mr. Engel are as well, Mr. Chairman, that we can use this as a point of leverage.

And then, finally, thank you for accepting an amendment in this markup on family reunification. I can tell you in my district I have got constituents, Korean constituents, who have not seen their families since the end of the—well, since the secession of hostilities in the Korea conflict. To go 70 years without seeing a loved one is heartbreaking, and they probably will die before they get to see their relatives. And so family reunification, a very major issue, and we know that South Korean President Park Geun-hye has sought to improve in that regard in her peace and reunification initiative. And I think we should be supportive of that. And I thank you both for including those provisions and for your leadership in this matter.

Chairman ROYCE. Thank you, Mr. Connolly.

Mr. Ted Poe of Texas and then Mr. Matt Salmon.

Mr. POE. Thank you, Mr. Chairman.

I appreciate the chair and the ranking member supporting the amendment that I have offered. I would like to speak briefly about the amendment and underlying bill in the next few minutes. The underlying bill, when we think of Iran, we always need to think of North Korea, and when we think of North Korea, we need to think of Iran. They are working together. One has nuclear capability; the other has weapons, and they are, in my opinion, wanting to trade off each other's facilities or knowledge so that they could both be worse than they are individually.

Iran calls North Korea a member of their Axis of Resistance. They are really, I think, an axis of world terror. North Korea, their new President Kim Jong-un, I don't know if the chairman remembers this, but he made a statement—I think it was last year—that

he is excited about getting nuclear weapons and wants to send his first intercontinental ballistic missile to Austin, Texas. I don't know why he picked Austin, but I am offended by that. I take it real personal that he would want to—

Chairman ROYCE. You probably should.

Mr. POE. University of Texas. Sir?

Chairman ROYCE. Judge, you probably should.

Mr. POE. I am the reason. I don't know about that, but, anyway, I think we should take them seriously about their world-domination goals and always think of both of them working together, which leads to the amendment. The amendment is very simple. It requires that the President submit a report stating the cooperation between Iran and their buddies over in North Korea on their nuclear program and what is taking place between the two. And that is a loophole, I think, in the ongoing nuclear talks with Iran, and we need to encourage the administration to give us information about what Iran and North Korea are doing together in their nuclear weapon development.

So once again, I think we should support the bill. I appreciate the chairman and the ranking member for bringing this up. We need to focus America's attention on both of these axes of terror and immediately approve this legislation but require that the administration continue to tell Congress what is taking place between these two world threats. And I yield back the balance of my time.

Chairman ROYCE. Thank you, Judge Poe.

Ms. Tulsi Gabbard of Hawaii.

Ms. GABBARD. Thank you, Mr. Chairman.

Like the Judge, I too am deeply offended that North Korea has called out my constituents in the State of Hawaii, placing us in their crosshairs. Understanding that with what is happening in the region this is actually something that is top of mind for people, something that is very real. So as you look at the growing threats across the world, both conventional and unconventional, I appreciate your leadership and the ranking member's leadership, and continuing to hold the line and maintain this pressure on North Korea as they openly continue to develop their ballistic missile capabilities, and their nuclear capabilities, understanding that that consistency and that increased pressure is necessary if we want this to have a very real effect. Again, my constituents in Hawaii and others in the Asia-Pacific Region are acutely aware of what North Korea is doing on the one hand, and what we are doing to stop them. Thank you very much.

Chairman ROYCE. Thank you.

We go to Mr. Matt Salmon of Arizona.

Mr. SALMON. Thank you.

Mr. Chairman, I greatly appreciate your tenacity on this issue, and the ranking member. And I am very, very hopeful that this year it will actually pass the Senate and get to the President's desk because I think it is vitally needed. It is legendary what bad actions that Korea—North Korea—has taken on the world stage both in terms of its nuclear proliferation and threats as well as its cyberterrorism with Sony Pictures, and if we don't start drawing some hard lines in the sand now, this escalation will continue.

The one thing I would like to point out is that we will be going to visit the folks in China in the not-so-distant future, and I am really hopeful that China takes more of an interest in containing North Korea. They have a disproportionate influence than any other country in the world because of North Korea's dependence on their—for their economic wellbeing. And I truly do believe that Beijing has a big hand to play, and I am disappointed that they haven't.

I hope that we will continue to encourage them to do the responsible thing because it is not only in the world's best interest, but it is in their best interest too. So, thank you, Mr. Chairman, for doing this yet one more time, and let's get it across the finish line this time. Thank you.

Chairman ROYCE. Thank you, Mr. Salmon.

As I recall, I raised this issue, as did Eliot Engel, with the Premier in Beijing, and as I recall, you may have said the same thing in Mandarin, and your Mandarin is very good. Afterwards, the delegation on the other side commented on that.

So other members seeking recognition here?

If not, hearing no further—Mr. Trott.

Mr. TROTT. I just wanted to thank the chairman and the ranking member for moving H.R. 757 forward. The chairman wisely scheduled a hearing a couple of weeks ago on North Korea. And I for one found the answers from the representative from the State Department and his complete confidence in the President's Executive order on North Korea—I think it is Executive Order 13687—his belief that that Executive order would singularly correct North Korea's bad behavior a little disturbing. And it was clear from the discussion that additional, more vigorous sanctions are required.

So, thank you, Mr. Chairman.

Chairman ROYCE. Thank you, Mr. Trott.

Hearing no further requests for recognition to speak on the bill, we now—Mr. Chabot, you are recognized. We are on the legislation on North Korea, Mr. Chabot.

Mr. CHABOT. Okay, I had a different—yeah, that is the one. I just spoke on the floor. I apologize. I just raced over here from speaking on the bill that we are taking up on the floor today. I appreciate, Mr. Chairman, I would like to express my support for H.R. 757, the North Korea Sanctions Enforcement Act of 2015.

Kim Jong-un's regime represents an imminent threat to the global nonproliferation effort, to the global economy, and the global financial system. North Korea has made its intentions clear that it will not halt its nuclear weapons and missile programs. But its trajectory will not last long if the U.S. denies access to its offshore accounts and funding.

As you know, H.R. 757 puts banks everywhere on notice that they must choose between doing business with Kim Jong-un and making use of the U.S. financial system, and that U.S. must maintain a consistent position that makes it crystal clear to the regime in Pyongyang that we will not concede to its unreasonable demands. The time for willful blindness, for looking the other way at North Korea's proliferation, money laundering, and its kleptocracy is over. I look forward to working with my colleagues to ensure this

happens, and hope that the administration pursues a path that will increase security for South Korea and the international community.

And, again, I apologize for getting here at the last minute. But I had to be in two places at once. So I yield back.

Chairman ROYCE. Well, we thank you, Mr. Chabot, and as I say, hearing no further requests, we now move to consider en bloc the bipartisan amendments. There were three of them provided to your office just yesterday, which are also in your packets.

And without objection, the following amendments to H.R. 757 will be considered as en bloc and are considered as read: One is the Castro amendment 22, the Connolly amendment 23, and the Poe amendment 83.

[The information referred to follows:]

AMENDMENT TO H.R. 757
OFFERED BY MR. CASTRO OF TEXAS

Page 47, after line 23 (at the end of title II), insert the following:

1 **SEC. 209. SENSE OF CONGRESS THAT TRILATERAL CO-**
2 **OPERATION AMONG THE UNITED STATES,**
3 **JAPAN, AND THE REPUBLIC OF KOREA IS**
4 **CRUCIAL TO THE STABILITY OF THE ASIA-PA-**
5 **CIFIC REGION.**

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

7 (1) The United States, Japan, and the Republic
8 of Korea (South Korea) share the values of democ-
9 racy, free and open markets, the rule of law, and re-
10 spect for human rights.

11 (2) The alliance relationship between the
12 United States, Japan, and South Korea are critical
13 to peace and security in the Asia-Pacific region.

14 (3) The United States, Japan, and South Korea
15 are committed to continuing diplomatic efforts to en-
16 sure continued peace and stability in the Asia-Pa-
17 cific region.

18 (4) On December 28, 2014, the United States,
19 Japan, and South Korea finalized a trilateral mili-

1 tary intelligence-sharing arrangement concerning the
2 nuclear and missile threats posed by North Korea.

3 (5) The trilateral military intelligence-sharing
4 arrangement reinforces and strengthens the commit-
5 ment between the United States, Japan, and South
6 Korea toward a Korean Peninsula free of nuclear
7 weapons.

8 (b) SENSE OF CONGRESS.—It is the sense of Con-
9 gress that North Korea's nuclear and ballistic missile pro-
10 grams are of mutual concern to the United States, Japan,
11 and South Korea and a trilateral military intelligence-
12 sharing arrangement is essential to the security of each
13 nation and the Asia-Pacific region.



AMENDMENT TO H.R. 757**OFFERED BY MR. CONNOLLY OF VIRGINIA**

Page 50, line 10, add at the end the following: “The report shall include a description of actions taken by the Department of State to implement or support the recommendations of the Commission of Inquiry’s Report on Human Rights in the Democratic People’s Republic of North Korea, including efforts to press China and other countries to implement Commission recommendations.”.



AMENDMENT TO H.R. 757
OFFERED BY MR. POE OF TEXAS

Page 47, after line 23 (at the end of title II of the bill), add the following:

1 **SEC. 209. REPORT ON NUCLEAR PROGRAM COOPERATION**
 2 **BETWEEN NORTH KOREA AND IRAN.**

3 (a) IN GENERAL.—The President shall submit to the
 4 Committee on Foreign Affairs of the House of Representa-
 5 tives and the Committee on Foreign Relations of the Sen-
 6 ate a report on cooperation between North Korea and Iran
 7 on their nuclear programs, including the identity of Ira-
 8 nian and North Korean persons that have knowingly en-
 9 gaged in or directed the provision of material support or
 10 the exchange of information between North Korea and
 11 Iran on their respective nuclear programs.

12 (b) SUBMISSION AND FORM.—

13 (1) SUBMISSION.—The report required under
 14 subsection (a) shall be submitted not later than 90
 15 days after the date of enactment of this Act.

16 (2) FORM.—The report required under sub-
 17 section (a) shall be submitted in an unclassified
 18 form, but may contain a classified annex.



Chairman ROYCE. I am assuming no one wants to speak on any of these en bloc. Mr. Castro would. Mr. Castro.

Mr. CASTRO. Sure. Thank you, Chairman, and thank you and the ranking member for all of your work on this issue. Yesterday, Director of National Intelligence James Clapper stated that North Korea's offensive cyber operations, growing stockpile of ballistic missiles, and nuclear weapons pose "A serious threat to the United States and to the security environment in East Asia."

My amendment echoes Director Clapper's assessment by adding a sense of Congress that North Korea's nuclear ballistic missiles program are of mutual concern to the United States, Japan, and South Korea, and that trilateral cooperation is essential to the security of each Nation and the stability of Asia-Pacific Region. Last December, the United States, Japan, and South Korea finalized a trilateral military intelligence-sharing agreement concerning threats posed by North Korea. The United States has had bilateral agreements with Japan and South Korea, but this is a new trilateral agreement that creates a more effective bulwark against North Korea and strengthens our collective response capabilities the event of future aggression from North Korea.

The United States, Japan, and South Korea share the values of democratic governance and the rule of law and respect for human rights. It makes sense that we share intelligence related to North Korea's military threats.

I yield back, Mr. Chairman.

Chairman ROYCE. Thank you, Mr. Castro.

Any other members seeking time?

Hearing no further requests for recognition, the question occurs on the amendments considered en bloc.

All those in favor, say aye.

All those opposed, no.

In the opinion of the Chair, the ayes have it, and the Castro, Connolly, and Poe amendments are agreed to.

Are there any further amendments to the bill? Hearing no further amendments, the question occurs on agreeing to H.R. 757, as amended.

All those in favor, say aye.

All those opposed, no.

In the opinion of the Chair, the ayes have it. The bill, as amended, is agreed to. And, without objection, H.R. 757, as amended, is ordered favorably reported and will be reported as a single amendment in the nature of a substitute. Staff is directed to make any technical and conforming changes, and also without objection, the Chair is authorized to seek House consideration of any of today's measures under suspension of the rules. And that concludes our business today.

I want to thank Ranking Member Engel and all of the committee members for their contributions and all of your assistance in today's markup. We stand adjourned.

[Whereupon, at 10:22 a.m., the committee was adjourned.]

APPENDIX



MATERIAL SUBMITTED FOR THE RECORD

FULL COMMITTEE MARKUP NOTICE
COMMITTEE ON FOREIGN AFFAIRS
U.S. HOUSE OF REPRESENTATIVES
WASHINGTON, DC 20515-6128

Edward R. Royce (R-CA), Chairman

February 25, 2015

TO: MEMBERS OF THE COMMITTEE ON FOREIGN AFFAIRS

You are respectfully requested to attend an OPEN meeting of the Committee on Foreign Affairs, to be held in Room 2172 of the Rayburn House Office Building (and available live on the Committee website at <http://www.foreignaffairs.house.gov>):

DATE: Friday, February 27, 2015

TIME: 9:30 a.m.

MARKUP OF: H.R. 400, Trafficking Prevention in Foreign Affairs Contracting Act;

H.R. 757, North Korea Sanctions Enforcement Act of 2015; and

H. Res. 53, Condemning the cowardly attack on innocent men, women, and children in the northeastern Nigerian town of Baga.

By Direction of the Chairman

The Committee on Foreign Affairs seeks to make its facilities accessible to persons with disabilities. If you are in need of special accommodations, please call 202/225-5021 at least four business days in advance of the event, whenever practicable. Questions with regard to special accommodations in general (including availability of Committee materials in alternative formats and assistive listening devices) may be directed to the Committee.



COMMITTEE ON FOREIGN AFFAIRS
MINUTES OF FULL COMMITTEE MARKUP

Day Friday Date February 27, 2015 Room 2172

Starting Time 9:38 a.m. Ending Time 10:22 a.m.

Recesses 0 (to) (to) (to) (to) (to) (to)

Presiding Member(s)

Edward R. Royce, Chairman

Check all of the following that apply:

Open Session

Electronically Recorded (taped)

Executive (closed) Session

Stenographic Record

Televised

BILLS FOR MARKUP: (Include bill number(s) and title(s) of legislation.)

H.R. 400; H.R. 757; and H. Res. 53

COMMITTEE MEMBERS PRESENT:

See attached sheet.

NON-COMMITTEE MEMBERS PRESENT:

None.

STATEMENTS FOR THE RECORD: (List any statements submitted for the record.)

None.

ACTIONS TAKEN DURING THE MARKUP: (Attach copies of legislation and amendments.)

See Markup Summary.

RECORDED VOTES TAKEN (FOR MARKUP): (Attach final vote tally sheet listing each member.)

<u>Subject</u>	<u>Yeas</u>	<u>Nays</u>	<u>Present</u>	<u>Not Voting</u>
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TIME SCHEDULED TO RECONVENE _____

or
TIME ADJOURNED 10:22 a.m.


Doug Anderson, General Counsel

HOUSE COMMITTEE ON FOREIGN AFFAIRS
FULL COMMITTEE MARKUP

<i>PRESENT</i>	<i>MEMBER</i>
X	Edward R. Royce, CA
X	Christopher H. Smith, NJ
	Ileana Ros-Lehtinen, FL
X	Dana Rohrabacher, CA
X	Steve Chabot, OH
	Joe Wilson, SC
	Michael T. McCaul, TX
X	Ted Poe, TX
X	Matt Salmon, AZ
	Darrell Issa, CA
	Tom Marino, PA
	Jeff Duncan, SC
	Mo Brooks, AL
X	Paul Cook, CA
X	Randy Weber, TX
X	Scott Perry, PA
	Ron DeSantis, FL
	Mark Meadows, NC
X	Ted Yoho, FL
X	Curt Clawson, FL
X	Scott, DesJarlais, TN
X	Reid Ribble, WI
X	Dave Trott, MI
	Lee Zeldin, NY
X	Tom Emmer, MN

<i>PRESENT</i>	<i>MEMBER</i>
X	Eliot L. Engel, NY
	Brad Sherman, CA
X	Gregory W. Meeks, NY
X	Albio Sires, NJ
	Gerald E. Connolly, VA
	Theodore E. Deutch, FL
	Brian Higgins, NY
	Karen Bass, CA
	William Keating, MA
X	David Cicilline, RI
X	Alan Grayson, FL
X	Ami Bera, CA
X	Alan S. Lowenthal, CA
X	Grace Meng, NY
	Lois Frankel, FL
X	Tulsi Gabbard, HI
X	Joaquin Castro, TX
X	Robin Kelly, IL
X	Brendan Boyle, PA

2/27/15 Foreign Affairs Committee Markup Summary

The Chair obtained unanimous consent to consider two measures and one amendment (previously provided to Members of the Committee) *en bloc*:

- 1) H.R. 400 (Royce), “Trafficking Prevention in Foreign Affairs Contracting Act.”
- 2) H. Res. 53 (Kelly), “Condemning the cowardly attack on innocent men, women, and children in the northeastern Nigerian town of Baga.”
 - a. Kelly 14, an amendment in the nature of a substitute.

The items considered *en bloc* were agreed to by voice vote.

The Chair then called up the bill:

- 3) H.R. 757 (Royce), “A North Korea Sanctions Enforcement Act of 2015.”

By unanimous consent, the following amendments to H.R. 757 (previously provided to Members of the Committee) were considered *en bloc*, and agreed to by voice vote:

- a. Castro 22;
- b. Connolly 23; and
- c. Poe 83

H.R. 757, as amended, was agreed to by voice vote, and was ordered favorably reported to the House as a single amendment in the nature of a substitute by unanimous consent.

By unanimous consent the Chair was authorized to seek House consideration of any of the measures agreed to today under suspension of the rules.

The Committee adjourned.