### 117TH CONGRESS 1ST SESSION

# H. R. 3245

To authorize the imposition of sanctions with respect to significant actions that exacerbate climate change, to reinforce comprehensive efforts to limit global average temperature rise, and for other purposes.

### IN THE HOUSE OF REPRESENTATIVES

May 14, 2021

Ms. ESCOBAR introduced the following bill; which was referred to the Committee on Foreign Affairs, and in addition to the Committees on the Judiciary, Financial Services, Oversight and Reform, and Ways and Means, 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 authorize the imposition of sanctions with respect to significant actions that exacerbate climate change, to reinforce comprehensive efforts to limit global average temperature rise, 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 Act may be cited as the "Targeting Environ-
- 5 mental and Climate Recklessness Act of 2021".

#### 1 SEC. 2. FINDINGS.

- 2 Congress makes the following findings:
  - (1) Climate change is imposing significant damage on communities in the United States and abroad in the form of severe weather events, wildfires, heat waves, droughts, flooding, ocean acidification, and other threats to public health and safety. Scientists expect these effects to grow in frequency and intensity in the coming decades. Low-income communities and communities of color bear a disproportionate impact of climate-related damages.
    - (2) Collectively, the international community needs to limit global warming to under 2.7 degrees Fahrenheit above pre-industrial levels in order to avoid the most catastrophic effects of climate change. Under the current trajectory, the world will fail to meet this target and will experience warming that exceeds 3 degrees Celsius by the end of the century. In many regions of the world, warming of average temperatures has already surpassed 3 degrees Fahrenheit.
    - (3) To limit global warming to under 1.5 degrees Celsius above pre-industrial levels, the world needs to reach net-zero global emissions by 2050, which will require making drastic reforms to global economic systems to mitigate greenhouse gas emis-

- sions, reduce deforestation, reduce dependency on coal, adapt to unavoidable changes in the climate, and ensure a just transition.
  - (4) The goals articulated in the United Nations Paris Climate Agreement depend on collective action involving the entire international community. Progress made by one economic actor can be reduced or cancelled out if another economic actor emits significant greenhouse gas emissions into the Earth's atmosphere.
  - (5) Coal produces the highest intensity of greenhouse gas emissions of any fuel source. The International Energy Agency estimates that coal is responsible for nearly ½ of global warming. The United Nations Secretary General has repeatedly urged countries to stop financing coal and to pledge not to build new coal-fired power plants.
  - (6) Subcritical coal-fired power plants continue to be developed, especially in Southeast Asia and as part of the Belt and Road Initiative of the People's Republic of China, despite broad awareness of the dangers and the growing availability of economically superior alternatives. Additionally, coal mining is frequently associated with a wide range of human rights abuses, such as forced evictions and land

- grabbing, water and air pollution, and violations of the rights of indigenous people and workers.
  - (7) Alternatives to carbon-intensive electrical power generation are now available and technological advancements continue to strengthen the economic competitiveness of such alternatives.
  - (8) Internationally, several economic actors continue to pursue activities, such as development of new subcritical coal-fired power plants and deforestation that contribute to dangerous levels of greenhouse gas emissions. In addition to carrying a significant climate risk, many of these activities are associated with serious human rights abuses, acts of corruption, and environmental injustice against Indigenous communities, communities of color, and other communities that have historically faced marginalization and discrimination.
  - (9) The United States Government has developed and implements targeted measures to restrict access to the United States financial system for specific individuals and entities whose actions threaten or run counter to United States national interests. The United States Government has deployed these measures in response to terrorism, proliferation of weapons of mass destruction, transnational orga-

nized crime, narcotics trafficking, malicious cyberenabled activity, wildlife trafficking, serious human rights abuses, and acts of corruption. While President Joseph R. Biden has further centered climate solutions in foreign policy, as of the date of the enactment of this Act, the United States Government has not used these measures to target and deter reckless, climate-destroying behavior.

- (10) President Biden has indicated that combating the climate crisis is a top domestic and foreign policy priority and has taken steps including the creation of a Special Presidential Envoy for Climate, collaborating with other countries to establish worldwide solutions and reduce the impact of climate change, striving to achieve a net-zero economy in the United States by 2050, producing a plan to end international financing for fossil fuel projects, and emphasizing the need of pursuing an entirely clean energy economy.
- (11) President Biden has made it a priority to counter environmental injustices in the United States and abroad, and plans on implementing community-led approaches as well as Federal protections and regulations that will support those community

members whose land and health have been negatively
impacted by climate change.

(12) The climate crisis has led to a surge of civic engagement, activism, and protests across the world. At the same time, reprisals against environmental defenders are on the rise. Front Line Defenders reported that of the 331 human rights defenders killed for their work in 2020, 69 percent were killed for speaking up about Indigenous, land, or environmental rights. In 2020, Global Witness reported than an average of 4 environmental defenders had been killed every week since the Paris Climate Agreement was signed in December 2015. Thousands of other environmental defenders are targeted each year with reprisals in the form of enforced disappearances, torture, sexual violence, criminalization, and smear campaigns.

(13) As a result of corruption and illegally issued permits for forest clearance, only approximately 50 percent of tropical forest destruction is defined as "illegal" under local country laws. Critically, violations of land rights and the free, prior, and informed consent and rights of Indigenous people can be overlooked if the only criterion applied is legality.

- 1 (14) Illegal deforestation is a significant driver 2 of the destruction of the Amazon rainforest. Crimi-3 nal networks with the capacity to coordinate largescale extraction, processing, and sale of timber deploy armed personnel to protect their interests. 5 6 Those criminal networks regularly attack 7 threaten members of Indigenous communities, en-8 forcement officials, and other environmental defend-9 ers. Perpetrators of such violence are rarely brought 10 to justice. 11 (15) Policies and measures to address climate 12 change must also promote human rights, thereby ad-13 vancing equality, justice, and dignity for all, in line
- 16 SEC. 3. SENSE OF CONGRESS ON A COMPREHENSIVE AP-

with the Sustainable Development Goals of the

- 17 PROACH TO ADDRESSING CLIMATE CHANGE.
- 18 It is the sense of Congress that—

United Nations.

- 19 (1) the targeted measures described in this Act
  20 are only one component of the comprehensive ap21 proach needed to address climate change and miti22 gate its effects;
- 23 (2) the United States Government must ensure 24 through law and regulation that entities in the 25 United States are not engaged in or complicit in any

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- of the egregious behaviors for which foreign persons may be targeted under this Act;
  - (3) the United States Government must fulfill its pledges to the Green Climate Fund and promote international efforts to support climate change adaptation and mitigation;
    - (4) the United States Government must work proactively with foreign governments, including by offering positive incentives, to address climate change and to promote economic development in ways that do not needlessly increase carbon emissions or increase the risk of corruption;
    - (5) the targeted measures described in this Act should be employed if engagement has failed to prevent significant actions that exacerbate climate change; and
    - (6) given broad international support for countering climate change, the Secretary of State should encourage the governments of other countries to implement targeted measures that are similar to the provisions of this Act, and the Secretary of the Treasury should support implementation of such measures, in order to increase the effectiveness of actions taken by the United States to combat signifi-

1	cant actions that exacerbate climate change, includ-
2	ing related corruption and human rights violations.
3	SEC. 4. SENSE OF CONGRESS ON ENGAGEMENT WITH THE
4	PEOPLE'S REPUBLIC OF CHINA.
5	It is the sense of Congress that—
6	(1) the United States Government should con-
7	tinue to hold the People's Republic of China ac-
8	countable for its human rights abuses, violations of
9	international law, coercive and unfair economic prac-
10	tices, and military aggression, and should do so
11	while also pursuing opportunities to cooperatively
12	address the existential threat of climate change;
13	(2) the United States Government should en-
14	courage the People's Republic of China to follow
15	through on its stated intentions to reduce the nega-
16	tive environmental impacts of Chinese foreign invest-
17	ment, including investments provided through the
18	Belt and Road Initiative;
19	(3) the United States Government should nego-
20	tiate a binding agreement to end fossil fuel subsidies
21	with major economies including the People's Repub-
22	lic of China;
23	(4) the United States Government should build
24	on the successes of existing engagement with the
25	People's Republic of China through the United

1	States-China Clean Energy Research Center and
2	other initiatives to launch new cooperative efforts;
3	(5) the United States Government should en-
4	gage in expanded dialogue with the People's Repub-
5	lic of China to ensure that development finance in-
6	stitutions do not undermine global decarbonization
7	efforts; and
8	(6) the United States Government should work
9	with the People's Republic of China to develop and
10	adopt safeguards to promote low-carbon, climate-re-
11	silient investments over high-carbon, climate risk-in-
12	ducing investments, particularly in emerging and de-
13	veloping economies in the Indo-Pacific, Africa, and
14	Latin America.
15	SEC. 5. STATEMENT OF POLICY ON APPLICATION OF GLOB-
16	AL MAGNITSKY SANCTIONS TO CLIMATE-
17	LINKED CORRUPTION AND HUMAN RIGHTS
18	ABUSES.
19	(a) In General.—It is the policy of the United
20	States to consider—
21	(1) any act of corruption related to a covered
22	activity (as defined in section 6(i)) to be corruption,
23	as that term is used in Executive Order 13818 (50

U.S.C. 1701 note; relating to blocking the property

1	of persons involved in serious human rights abuse or
2	corruption); and
3	(2) any violation of internationally recognized
4	human rights committed against an individual de-
5	scribed in subsection (b) to be a serious human
6	rights abuse, as that term is used in Executive
7	Order 13818.
8	(b) Individuals Described.—An individual de-
9	scribed in this subsection is an individual who—
10	(1) advocates for the protection of the environ-
11	ment, public health, Indigenous rights, or commu-
12	nity land rights;
13	(2) investigates, exposes, or raises awareness of
14	harm or corruption related to natural resource use
15	or
16	(3) is obliged to leave the individual's habitual
17	home due, in whole or in part, to sudden or progress
18	sive change in the environment that adversely affects
19	the individual's life or living conditions.
20	SEC. 6. IMPOSITION OF SANCTIONS WITH RESPECT TO SIG
21	NIFICANT ACTIONS THAT EXACERBATE CLI
22	MATE CHANGE.
23	(a) Sense of Congress.—It is the sense of Con-
24	gress that the President should employ the authorities
25	provided by this section to prioritize action against, and

- 1 deterrence of, egregious behaviors that undermine efforts
- 2 to limit the increase in global average temperature to 1.5
- 3 degrees Celsius above pre-industrial levels.
- 4 (b) In General.—The President may impose one or
- 5 more of the sanctions described in subsection (c) with re-
- 6 spect to any foreign person the President determines,
- 7 based on credible information—
- 8 (1) to be responsible for or complicit in, or to
- 9 have directly or indirectly engaged in, a covered ac-
- tivity, including a government official who approves
- or implements policies or acts that serve to promote
- a covered activity;
- 13 (2) to have acted or purported to act for or on
- behalf of, directly or indirectly, any foreign person in
- a matter relating to a covered activity, including for
- or on behalf of a government official described in
- paragraph (1);
- 18 (3) to have materially assisted, sponsored, or
- provided financial, material, or technological support
- for, or goods or services to or in support of, a cov-
- 21 ered activity; or
- 22 (4) to be owned or controlled by a foreign per-
- son described in paragraph (1).

1	(c) Sanctions Described.—The sanctions that
2	may be imposed with respect to a foreign person under
3	subsection (b) are the following:
4	(1) Inadmissibility to united states.—In
5	the case of a foreign person who is an individual—
6	(A) ineligibility to receive a visa to enter
7	the United States or to be admitted to the
8	United States; or
9	(B) if the individual has been issued a visa
10	or other documentation, revocation, in accord-
11	ance with section 221(i) of the Immigration and
12	Nationality Act (8 U.S.C. 1201(i)), of the visa
13	or other documentation.
14	(2) Blocking of Property.—
15	(A) IN GENERAL.—The blocking, in ac-
16	cordance with the International Emergency
17	Economic Powers Act (50 U.S.C. 1701 et seq.),
18	of all transactions in all property and interests
19	in property of the foreign person if such prop-
20	erty and interests in property are in the United
21	States, come within the United States, or are or
22	come within the possession or control of a
23	United States person.
24	(B) Inapplicability of national emer-
25	GENCY REQUIREMENT.—The requirements of

1	section 202 of the International Emergency
2	Economic Powers Act (50 U.S.C. 1701) shall
3	not apply for purposes of this paragraph.
4	(3) OTHER SANCTIONS OPTIONS.—Any of the
5	sanctions described in section 235 of the Countering
6	America's Adversaries Through Sanctions Act (22
7	U.S.C. 9529).
8	(d) Consideration of Certain Information in
9	IMPOSING SANCTIONS.—In determining whether to im-
10	pose sanctions under subsection (b), the President shall
11	consider—
12	(1) information provided jointly by the chair-
13	person and ranking member of each of the appro-
14	priate congressional committees; and
15	(2) credible information obtained by other coun-
16	tries and nongovernmental organizations that mon-
17	itor environmental harm or violations of human
18	rights.
19	(e) Requests by Appropriate Congressional
20	COMMITTEES.—
21	(1) In general.—Not later than 120 days
22	after receiving a request that meets the require-
23	ments of paragraph (2) with respect to whether a
24	foreign person has engaged in an action described in
25	subsection (a) the President shall—

1	(A) determine if that person has engaged
2	in such an action; and
3	(B) submit a classified or unclassified re-
4	port to the chairperson and ranking member of
5	the committee or committees that submitted the
6	request with respect to that determination that
7	includes—
8	(i) a statement of whether or not the
9	President imposed or intends to impose
10	sanctions with respect to the person; and
11	(ii) if the President imposed or in-
12	tends to impose sanctions, a description of
13	those sanctions.
14	(2) Requirements.—A request under para-
15	graph (1) with respect to whether a foreign person
16	has engaged in an action described in subsection (b)
17	shall be submitted to the President in writing jointly
18	by the chairperson and ranking member of one of
19	the appropriate congressional committees.
20	(f) Exceptions.—
21	(1) Intelligence and law enforcement
22	ACTIVITIES.—Sanctions under this section shall not
23	apply with respect to—

1	(A) any activity subject to the reporting
2	requirements under title V of the National Se-
3	curity Act of 1947 (50 U.S.C. 3091 et seq.); or
4	(B) any authorized intelligence or law en-
5	forcement activities of the United States.
6	(2) Compliance with united nations head-
7	QUARTERS AGREEMENT.—This section shall not
8	apply with respect to the admission of an individual
9	to the United States if the admission of the indi-
10	vidual is necessary to comply with United States ob-
11	ligations under the Agreement between the United
12	Nations and the United States of America regarding
13	the Headquarters of the United Nations, signed at
14	Lake Success June 26, 1947, and entered into force
15	November 21, 1947, under the Convention on Con-
16	sular Relations, done at Vienna April 24, 1963, and
17	entered into force March 19, 1967, or under other
18	international obligations of the United States.
19	(3) Exception relating to importation of
20	GOODS.—
21	(A) In general.—The authority to block
22	and prohibit all transactions in all property and
23	interests in property under this section shall not
24	include the authority to impose sanctions on the
25	importation of goods.

1 (B) GOOD DEFINED.—In this paragraph,
2 the term "good" means any article, natural or
3 man-made substance, material, supply or manu4 factured product, including inspection and test
5 equipment, and excluding technical data.

### (g) Implementation; Penalties.—

- (1) Implementation.—The President may exercise all authorities provided under sections 203 and 205 of the International Emergency Economic Powers Act (50 U.S.C. 1702 and 1704) to carry out this section.
- (2) Penalties.—A person that violates, attempts to violate, conspires to violate, or causes a violation of this section or any regulation, license, or order issued to carry out this section shall be subject to the penalties set forth in subsections (b) and (c) of section 206 of the International Emergency Economic Powers Act (50 U.S.C. 1705) to the same extent as a person that commits an unlawful act described in subsection (a) of that section.
- 21 (h) REPORT REQUIRED.—Not later than one year 22 after the date of the enactment of this Act, and annually 23 thereafter, the Secretary of Energy, in consultation with 24 the Secretary of State and the Administrator of the Envi-25 ronmental Protection Agency, shall submit to the appro-

1	priate congressional committees a report that includes a
2	list of each activity in a foreign country that—
3	(1) is initiated or negotiated in the year pre-
4	ceding submission of the report; and
5	(2) the Secretary determines is a covered activ-
6	ity, regardless of whether sanctions have been im-
7	posed with respect to the activity.
8	(i) Definitions.—In this section:
9	(1) Appropriate congressional commit-
10	TEES.—The term "appropriate congressional com-
11	mittees" means—
12	(A) the Committee on Environment and
13	Public Works and the Committee on Foreign
14	Relations of the Senate; and
15	(B) the Committee on Energy and Com-
16	merce and the Committee on Foreign Affairs of
17	the House of Representatives.
18	(2) Carbon sink.—The term "carbon sink"
19	means a feature or process that absorbs more car-
20	bon from the atmosphere than it releases.
21	(3) COVERED ACTIVITY.—The term "covered
22	activity" means any activity in a foreign country
23	that, on or after the date of the enactment of this
24	Act—

1	(A) causes, or is likely to cause, significant
2	excess greenhouse gas emissions associated with
3	electrical power generation, including—
4	(i) construction, importation, or ex-
5	portation of subcritical coal-fired power
6	plants; or
7	(ii) any action that significantly un-
8	dermines, as a result of timing or mag-
9	nitude, adoption in the country of high-ef-
10	ficiency, low-carbon, or renewable energy
11	technology or infrastructure;
12	(B) causes, or is likely to cause, significant
13	or illegal deforestation or loss of natural carbon
14	sinks, including—
15	(i) establishment of incentives for, or
16	promotion of, systematic deforestation;
17	(ii) engagement in, or failure to com-
18	bat, illegal logging, mining, or ranching; or
19	(iii) unjust actions that limit or cir-
20	cumvent opposition to deforestation by in-
21	dividuals seeking to protect the environ-
22	ment, public health, or community land
23	rights; or
24	(C) knowingly misrepresents the environ-
25	mental impact of a project, investment, or prod-

1	uct, including misrepresenting the amount of
2	greenhouse gas emissions associated with the
3	project, investment, or product, in the context
4	of—
5	(i) assessments conducted by multilat-
6	eral organizations, national governments,
7	or investors; or
8	(ii) public efforts to gain market ad-
9	vantage based on purported environmental
10	advantages of a product.
11	(4) Deforestation.—The term "deforest-
12	ation" means a loss of natural forest resulting from
13	the whole or partial conversion of natural forest to—
14	(A) agriculture or another non-forest land
15	use; or
16	(B) a tree plantation.
17	(5) Knowingly.—The term "knowingly", with
18	respect to conduct, a circumstance, or a result,
19	means that a person has actual knowledge, or should
20	have known, of the conduct, the circumstance, or the
21	result.
22	(6) Foreign person.—The term "foreign per-
23	son" means a person that is not a United States
24	person.

1	(7) Subcritical coal-fired power plant.—
2	The term "subcritical coal-fired power plant" means
3	a coal-fired power plant with carbon intensity equal
4	to or greater than 880 kilograms of carbon dioxide
5	per megawatt-hour.
6	(8) United states person.—The term
7	"United States person" means—
8	(A) a United States citizen or an alien law-
9	fully admitted for permanent residence to the
10	United States; or
11	(B) an entity organized under the laws of
12	the United States or of any jurisdiction within
13	the United States, including a foreign branch of
14	such an entity.
15	SEC. 7. ADDITIONAL RESOURCES FOR THE OFFICE OF FOR-
16	EIGN ASSETS CONTROL.
17	There are authorized to be appropriated to the Sec-
18	retary of the Treasury such sums as may be necessary
19	to support the targeting by the Office of Foreign Assets
20	Control of persons under this Act and to enhance the abil-
21	ity of that Office to target persons for the imposition of
22	sanctions under the Global Magnitsky Human Rights Ac-
23	countability Act (subtitle F of title XII of Public Law
24	114–328; 22 U.S.C. 2656 note).