

Mr. BARR. Mr. Speaker, I have no further requests at this time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Kentucky (Mr. BARR) that the House suspend the rules and pass the bill, H.R. 3972, as amended.

The question was taken; and (two-thirds being in the affirmative) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

OTTO WARMBIER NORTH KOREA NUCLEAR SANCTIONS ACT

Mr. BARR. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3898) to require the Secretary of the Treasury to place conditions on certain accounts at United States financial institutions with respect to North Korea, and for other purposes, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 3898

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Otto Warmbier North Korea Nuclear Sanctions Act”.

SEC. 2. FINDINGS.

The Congress finds the following:

(1) On June 1, 2016, the Department of the Treasury’s Financial Crimes Enforcement Network announced a Notice of Finding that the Democratic People’s Republic of Korea is a jurisdiction of primary money laundering concern due to its use of state-controlled financial institutions and front companies to support the proliferation and development of weapons of mass destruction (WMD) and ballistic missiles.

(2) The Financial Action Task Force (FATF) has expressed serious concerns with the threat posed by North Korea’s proliferation and financing of WMD, and has called on FATF members to apply effective countermeasures to protect their financial sectors from North Korean money laundering, WMD proliferation financing, and the financing of terrorism.

(3) In its February 2017 report, the U.N. Panel of Experts concluded that—

(A) North Korea continued to access the international financial system in support of illicit activities despite sanctions imposed by U.N. Security Council Resolutions 2270 (2016) and 2321 (2016);

(B) during the reporting period, no member state had reported taking actions to freeze North Korean assets; and

(C) sanctions evasion by North Korea, combined with inadequate compliance by member states, had significantly negated the impact of U.N. Security Council resolutions.

(4) In its September 2017 report, the U.N. Panel of Experts found that—

(A) North Korea continued to violate financial sanctions by using agents acting abroad on the country’s behalf;

(B) foreign financial institutions provided correspondent banking services to North Korean persons and front companies for illicit purposes;

(C) foreign companies violated sanctions by maintaining links with North Korean financial institutions; and

(D) North Korea generated at least \$270 million during the reporting period through the violation of sectoral sanctions.

(5) North Korean entities engage in significant financial transactions through foreign bank accounts that are maintained by non-North Korean nationals, thereby masking account users’ identity in order to access financial services.

(6) North Korea’s sixth nuclear test on September 3, 2017, demonstrated an estimated explosive power more than 100 times greater than that generated by its first nuclear test in 2006.

(7) North Korea has successfully tested submarine-launched and intercontinental ballistic missiles, and is rapidly progressing in its development of a nuclear-armed missile that is capable of reaching United States territory.

SEC. 3. CONDITIONS WITH RESPECT TO CERTAIN ACCOUNTS AND TRANSACTIONS AT UNITED STATES FINANCIAL INSTITUTIONS.

(a) CORRESPONDENT AND PAYABLE-THROUGH ACCOUNTS HELD BY FOREIGN FINANCIAL INSTITUTIONS.—

(1) IN GENERAL.—Not later than 45 days after the date of the enactment of this Act, the Secretary of the Treasury shall prescribe regulations to prohibit, or impose strict conditions on, the opening or maintaining in the United States of a correspondent account or a payable-through account by a foreign financial institution that the Secretary finds knowingly facilitates a significant transaction or transactions or provides significant financial services for a covered person.

(2) PENALTIES.—

(A) CIVIL PENALTY.—A person who violates, attempts to violate, conspires to violate, or causes a violation of regulations prescribed under this subsection shall be subject to a civil penalty in an amount not to exceed the greater of—

(i) \$250,000; or

(ii) an amount that is twice the amount of the transaction that is the basis of the violation with respect to which the penalty is imposed.

(B) CRIMINAL PENALTY.—A person who willfully commits, willfully attempts to commit, or willfully conspires to commit, or aids or abets in the commission of, a violation of regulations prescribed under this subsection shall, upon conviction, be fined not more than \$1,000,000, or if a natural person, may be imprisoned for not more than 20 years, or both.

(b) RESTRICTIONS ON CERTAIN TRANSACTIONS BY UNITED STATES FINANCIAL INSTITUTIONS.—

(1) IN GENERAL.—Not later than 45 days after the date of the enactment of this Act, the Secretary of the Treasury shall prescribe regulations to prohibit a United States financial institution, and any person owned or controlled by a United States financial institution, from knowingly engaging in a significant transaction or transactions with or benefitting any person that the Secretary finds to be a covered person.

(2) CIVIL PENALTY.—A person who violates, attempts to violate, conspires to violate, or causes a violation of regulations prescribed under this subsection shall be subject to a civil penalty in an amount not to exceed the greater of—

(A) \$250,000; or

(B) an amount that is twice the amount of the transaction that is the basis of the violation with respect to which the penalty is imposed.

SEC. 4. OPPOSITION TO ASSISTANCE BY THE INTERNATIONAL FINANCIAL INSTITUTIONS AND THE EXPORT-IMPORT BANK.

(a) INTERNATIONAL FINANCIAL INSTITUTIONS.—The Bretton Woods Agreements Act

(22 U.S.C. 286 et seq.) is amended by adding at the end the following:

SEC. 73. OPPOSITION TO ASSISTANCE FOR ANY GOVERNMENT THAT FAILS TO IMPLEMENT SANCTIONS ON NORTH KOREA.

“(a) IN GENERAL.—The Secretary of the Treasury shall instruct the United States Executive Director at the international financial institutions (as defined under section 1701(c) of the International Financial Institutions Act) to use the voice and vote of the United States to oppose the provision of financial assistance to a foreign government, other than assistance to support basic human needs, if the President determines that, in the year preceding consideration of approval of such assistance, the government has knowingly failed to prevent the provision of financial services to, or freeze the funds, financial assets, and economic resources of, a person described under subparagraphs (A) through (E) of section 7(2) of the Otto Warmbier North Korea Nuclear Sanctions Act.

“(b) WAIVER.—The President may waive subsection (a) for up to 180 days at a time with respect to a foreign government if the President reports to Congress that—

“(1) the foreign government’s failure described under (a) is due exclusively to a lack of foreign government capacity;

“(2) the foreign government is taking effective steps to prevent recurrence of such failure; or

“(3) such waiver is vital to the national security interests of the United States.”

(b) EXPORT-IMPORT BANK.—Section 2(b) of the Export-Import Bank Act of 1945 (12 U.S.C. 635(b)) is amended by adding at the end the following:

“(14) PROHIBITION ON SUPPORT INVOLVING PERSONS CONNECTED WITH NORTH KOREA.—The Bank may not guarantee, insure, or extend credit, or participate in the extension of credit in connection with the export of a good or service to a covered person (as defined under section 7 of the Otto Warmbier North Korea Nuclear Sanctions Act).”

SEC. 5. TREASURY REPORTS ON COMPLIANCE, PENALTIES, AND TECHNICAL ASSISTANCE.

(a) QUARTERLY REPORT.—

(1) IN GENERAL.—Not later than 120 days following the date of the enactment of this Act, and every 90 days thereafter, the Secretary of the Treasury shall submit a report to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate that includes—

(A) a list of financial institutions that, in the period since the preceding report, knowingly facilitated a significant transaction or transactions or provided significant financial services for a covered person, or failed to apply appropriate due diligence to prevent such activities;

(B) a list of any penalties imposed under section 3 in the period since the preceding report; and

(C) a description of efforts by the Department of the Treasury in the period since the preceding report, through consultations, technical assistance, or other appropriate activities, to strengthen the capacity of financial institutions and foreign governments to prevent the provision of financial services benefitting any covered person.

(2) FORM OF REPORT; PUBLIC AVAILABILITY.—

(A) FORM.—The report required under paragraph (1) shall be submitted in unclassified form but may contain a classified annex.

(B) PUBLIC AVAILABILITY.—The unclassified portion of such report shall be made available to the public and posted on the website of the Department of the Treasury.

(b) TESTIMONY REQUIRED.—Upon request of the Committee on Financial Services of the

House of Representatives or the Committee on Banking, Housing, and Urban Affairs of the Senate, the Under Secretary of the Treasury for Terrorism and Financial Intelligence shall testify to explain the effects of this Act, and the amendments made by this Act, on North Korea's access to finance.

(c) INTERNATIONAL MONETARY FUND.—Title XVI of the International Financial Institutions Act (22 U.S.C. 262p et seq.) is amended by adding at the end the following:

“SEC. 1629. SUPPORT FOR CAPACITY OF THE INTERNATIONAL MONETARY FUND TO PREVENT MONEY LAUNDERING AND FINANCING OF TERRORISM.

“The Secretary of the Treasury shall instruct the United States Executive Director at the International Monetary Fund to support the use of the administrative budget of the Fund for technical assistance that strengthens the capacity of Fund members to prevent money laundering and the financing of terrorism.”

(d) NATIONAL ADVISORY COUNCIL REPORT TO CONGRESS.—The Chairman of the National Advisory Council on International Monetary and Financial Policies shall include in the report required by section 1701 of the International Financial Institutions Act (22 U.S.C. 262r) for the fiscal year following the date of the enactment of this Act a description of—

(1) the activities of the International Monetary Fund in the most recently completed fiscal year to provide technical assistance that strengthens the capacity of Fund members to prevent money laundering and the financing of terrorism, and the effectiveness of the assistance; and

(2) the efficacy of efforts by the United States to support such technical assistance through the use of the Fund's administrative budget.

SEC. 6. SUSPENSION AND TERMINATION OF PROHIBITIONS AND PENALTIES.

(a) SUSPENSION.—The President may suspend, on a case-by-case basis, the application of any provision of this Act, or provision in an amendment made by this Act, for a period of not more than 180 days at a time if the President certifies to Congress that—

(1) the Government of North Korea has—

(A) committed to the verifiable suspension of North Korea's proliferation and testing of WMD, including systems designed in whole or in part for the delivery of such weapons; and

(B) has agreed to multilateral talks including the Government of the United States, with the goal of permanently and verifiably limiting North Korea's WMD and ballistic missile programs; or

(2) such suspension is vital to the national security interests of the United States, with an explanation of the reasons therefor.

(b) TERMINATION.—

(1) IN GENERAL.—On the date that is 30 days after the date on which the President makes the certification described under paragraph (2)—

(A) section 3, subsections (a) and (b) of section 5, and section 6(a) of this Act shall cease to have any force or effect;

(B) section 73 of the Bretton Woods Agreements Act, as added by section 4(a), shall be repealed; and

(C) section 2(b)(14) of the Export-Import Bank Act of 1945, as added by section 4(b), shall be repealed.

(2) CERTIFICATION.—The certification described under this paragraph is a certification by the President to the Congress that—

(A) the Government of North Korea—

(i) has ceased to pose a significant threat to national security, with an explanation of the reasons therefor; or

(ii) is committed to, and is taking effective steps to achieving, the goal of permanently

and verifiably limiting North Korea's WMD and ballistic missile programs; or

(B) such termination is vital to the national security interests of the United States, with an explanation of the reasons therefor.

SEC. 7. DEFINITIONS.

For purposes of this Act:

(1) TERMS RELATED TO NORTH KOREA.—The terms “applicable Executive order”, “Government of North Korea”, “North Korea”, “North Korean person”, and “significant activities undermining cybersecurity” have the meanings given those terms, respectively, in section 3 of the North Korea Sanctions and Policy Enhancement Act of 2016 (22 U.S.C. 9202).

(2) COVERED PERSON.—The term “covered person” means the following:

(A) Any designated person under an applicable Executive order.

(B) Any North Korean person that facilitates the transfer of bulk cash or covered goods (as defined under section 1027.100 of title 31, Code of Federal Regulations).

(C) Any North Korean financial institution.

(D) Any North Korean person employed outside of North Korea, except that the Secretary of the Treasury may waive the application of this subparagraph for a North Korean person that is not otherwise a covered person and—

(i) has been granted asylum or refugee status by the country of employment; or

(ii) is employed as essential diplomatic personnel for the Government of North Korea.

(E) Any person acting on behalf of, or at the direction of, a person described under subparagraphs (A) through (D).

(F) Any person that knowingly employs a person described under subparagraph (D).

(G) Any person that facilitates the import of goods, services, technology, or natural resources, including energy imports and minerals, or their derivatives, from North Korea.

(H) Any person that facilitates the export of goods, services, technology, or natural resources, including energy exports and minerals, or their derivatives, to North Korea, except for food, medicine, or medical supplies required for civilian humanitarian needs.

(I) Any person that invests in, or participates in a joint venture with, an entity in which the Government of North Korea participates or an entity that is created or organized under North Korean law.

(J) Any person that provides financial services, including through a subsidiary or joint venture, in North Korea.

(K) Any person that insures, registers, facilitates the registration of, or maintains insurance or a registration for, a vessel owned, controlled, commanded, or operated by a North Korean person.

(L) Any person providing specialized teaching, training, or information or providing material or technological support to a North Korean person that—

(i) may contribute to North Korea's development and proliferation of WMD, including systems designed in whole or in part for the delivery of such weapons; or

(ii) may contribute to significant activities undermining cybersecurity.

(3) FINANCIAL INSTITUTION DEFINITIONS.—

(A) FINANCIAL INSTITUTION.—The term “financial institution” means a United States financial institution or a foreign financial institution.

(B) FOREIGN FINANCIAL INSTITUTION.—The term “foreign financial institution” has the meaning given that term under section 1010.605 of title 31, Code of Federal Regulations.

(C) NORTH KOREAN FINANCIAL INSTITUTION.—The term “North Korean financial institution” includes—

(i) any North Korean financial institution, as defined in section 3 of the North Korea Sanctions and Policy Enhancement Act of 2016 (22 U.S.C. 9202);

(ii) any financial agency, as defined in section 5312 of title 31, United States Code, that is owned or controlled by the Government of North Korea;

(iii) any money transmitting business, as defined in section 5330(d) of title 31, United States Code, that is owned or controlled by the Government of North Korea;

(iv) any financial institution that is a joint venture between any person and the Government of North Korea; and

(v) any joint venture involving a North Korean financial institution.

(D) UNITED STATES FINANCIAL INSTITUTION.—The term “United States financial institution” has the meaning given the term “U.S. financial institution” under section 510.310 of title 31, Code of Federal Regulations.

(4) KNOWINGLY.—The term “knowingly” with respect to conduct, a circumstance, or a result, means that a person has actual knowledge, or should have known, of the conduct, the circumstance, or the result.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Kentucky (Mr. BARR) and the gentlewoman from California (Mrs. MAXINE WATERS) each will control 20 minutes.

The Chair recognizes the gentleman from Kentucky.

GENERAL LEAVE

Mr. BARR. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous material on this bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. BARR. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, I am pleased to sponsor H.R. 3898, the Otto Warmbier North Korea Nuclear Sanctions Act, which imposes the most far-reaching financial sanctions ever directed at North Korea.

Since 2006, North Korea has undertaken six nuclear tests and, earlier this summer, test-launched intercontinental ballistic missiles capable of reaching United States territory. The most recent nuclear device that the country detonated on September 3 had an estimated explosive power 10 times greater than the bomb dropped at Hiroshima. We must not allow the North to threaten a U.S. city with such weapons.

In short, Mr. Speaker, this bill would impose secondary sanctions on foreign financial institutions that do business with virtually anyone that trades with North Korea. In addition, H.R. 3898 would essentially cut off Pyongyang's ability to earn hard currency through North Korean laborers working abroad, and it would use our leverage at the IMF, the World Bank, and other international financial institutions to incentivize countries to crack down on North Korea's illicit activities.

As many of my colleagues know, North Korea is already subject to both U.S. and international sanctions, the latter deriving from a series of U.N. Security Council resolutions. These sanctions have fallen short, however, for two main reasons:

First, they have not given sufficient attention to North Korea's enablers in third countries, especially foreign banks and middlemen in China, Southeast Asia, and other parts of the world.

Second, even though U.N. Security Council resolutions are supposed to bind U.N. members to enforce them, implementation has been weak. As the U.N. Panel of Experts concluded earlier this year, member nations' compliance with sanctions has been so lax that North Korea retains access to the international financial system.

As the Trump administration has made clear, U.N. sanctions are a floor, not a ceiling, for U.S. action. H.R. 3898 embodies this principle through the use of secondary sanctions.

Here is how such sanctions would work, Mr. Speaker:

The front companies and middlemen that North Korea relies on in third countries still need banks. Those banks, in turn, use correspondent or payable-through accounts held at U.S. financial institutions to process international transactions. It is counterproductive for U.S. policy to permit foreign banks to do business in America as well as business that ultimately helps North Korea. It is time for those banks to choose between aiding and abetting the North Korean Government or standing for peace with America and its allies.

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H.R. 3898 forces foreign banks to make that choice. Foreign banks can either do business benefiting North Korea or business with the United States. They cannot do both.

Under an executive order issued in September, the President authorized the Treasury Department to levy sanctions on foreign banks that finance North Korean trade. While this was a crucial step forward, H.R. 3898 would widen the net still further.

Under this legislation, Congress would be codifying mandatory sanctions on foreign banks. If someone is dealing with North Korea, there is nowhere to run or hide: a foreign financial institution is subject to sanctions for doing business with you, even if that bank claims that it is not directly financing the trade.

H.R. 3898 also covers more economic activity than any previous sanctions on North Korea, including the current U.N. sanctions round. That means this bill goes after banks involved with petroleum, labor, and virtually any kind of investment or North Korean use of shipping vessels.

In addition, H.R. 3898 targets the knowledge and technological support that North Korea needs for its weapons program and hacking activities.

Pyongyang's threats against cybersecurity are critical for the regime to get its hands on financing.

The goal, Mr. Speaker, is to show North Korea that the path they are on has devastating costs and leads to nowhere regardless. H.R. 3898 provides an off-ramp for North Korea if the country wants sanctions relief, but it is up to Pyongyang to take it. Until then, the sanctions we will be passing today hold tremendous economic pain in store for the Kim Jong-un regime and its foreign enablers.

Finally, Mr. Speaker, we are honored to dedicate this bill to the memory of Otto Warmbier, a young man who traveled to North Korea to understand the country with his own eyes, and whose life was cut short by the regime's brutality. Otto was a student at the University of Virginia, my alma mater, and a special community that continues to mourn the loss of this special young man. Otto held out his hand in friendship to the people of North Korea, as we do. It is Pyongyang's nuclear ambitions, though, that threaten what Otto represented: a world of openness, understanding, and a desire for peaceful relations between our country and North Korea. It is fitting that this legislation bears Otto's name, and that its goals embody his spirit.

Mr. Speaker, I reserve the balance of my time.

Ms. MAXINE WATERS of California. Mr. Speaker, I yield myself such time as I may consume.

First, allow me to say that I am very pleased that, by naming this legislation after Otto Warmbier, we are able to honor him and let his family know that we will not forget him. Nor will we forget the brutal, lethal treatment of this young, decent American student by the Government of North Korea.

There is simply no justification for the fury with which the Kim regime turned the massive power of the state on this young American man, who is alleged to have done nothing more than take a poster from a hotel. It is this kind of brutality—and the ongoing fundamental depravity of the North Korean regime—that will keep it from being a member of the global community of nations.

This is also why the rapid acceleration in the scale and range of North Korea's nuclear and missile programs is so alarming, including the launch of two intercontinental ballistic missiles in July, one of which experts believe could have had the capacity to reach the continental United States. Then, in September, the regime tested its sixth nuclear explosive device, and, according to U.S. and international estimates, this thermonuclear test was significantly higher in magnitude and yield than any previous test.

This has led to a bipartisan consensus in the Financial Services Committee that a new policy towards North Korea involving a maximum pressure campaign of financial isolation is the best chance we have to resolve this situation peacefully.

Such a strategy must entail a dramatically greater level of pressure than North Korea has faced to date, one strong enough to change Kim Jong-un's calculus about whether he is safer with or without his nuclear program.

The legislation before us today, H.R. 3898, calls for just such a U.S. strategy towards North Korea—and it is one that has the advantage of presenting an option other than a military-first response. As many experts have called for, this legislation takes a page from the Iran sanctions playbook by mandating the use of secondary sanctions, which were widely credited with forcing Iran to the negotiating table.

In the context of North Korea, an American program of secondary sanctions wouldn't just ban U.S. companies from doing business with North Korea, it would also force companies, individuals, banks, and governments to make a choice: stop doing business with North Korea and its enablers or be cut off from the global financial system.

Although we saw in the Iran context just how powerful this approach can be when carefully fashioned as part of a broad coalition, we must remember that sanctions alone are not a strategy. Sanctions are a tool, and in order for them to work, they must be linked to a broader strategic effort, with the high level of skill in their design and implementation, and with a clear understanding of the policy goals we are trying to achieve.

According to Adam Szubin, who formerly served as the Under Secretary of the Treasury for Terrorism and Financial Crimes, when Congress adopted a series of secondary sanction measures in 2010, aimed at containing Iran's nuclear program, the administration was already staffed, well-resourced, and ready to immediately deploy senior officials around the world.

Specifically, senior Treasury, White House, and State Department officials traveled around the world to explain the new U.S. sanctions regime and pressure governments, bankers, traders, and companies to enforce these sanctions in a tough and meaningful way.

Today, there is widespread recognition that a successful strategy to isolate and pressure North Korea must not only entail the effective implementation of sanctions, but also arguably an even more complex and sophisticated degree of statecraft in order to coordinate with our allies, and, in particular, to convince China that we have shared objectives when it comes to addressing the increasing destabilizing North Korean threat.

It is extremely concerning, therefore, that President Trump has shown virtually no capacity or willingness for the hard work necessary to secure concessions from North Korea, or enlist China and other key players to do their part to isolate the Kim regime. In fact, President Trump's reckless threats, his vow to destroy the Kim regime, his

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name-calling, warmongering, and rejection of diplomacy contradict key administration officials, and leading experts, who continue to stress the importance of imposing pressure on the Kim regime. It also demonstrates a Commander in Chief who lacks the discipline and quality of leadership it takes to convince our allies to join us in dealing with the North Korean threat.

Given the high-stakes objectives; the lack of a unified, coherent policy from the executive branch; and concern about U.S. credibility on the global stage, I am pleased that, on this critical issue, Members from both sides of the aisle were able to come together behind a concrete strategic objective to force Pyongyang into nuclear diplomacy with the goal of permanently and verifiably limiting North Korea's WMD and ballistic missile programs.

Mr. Speaker, I reserve the balance of my time.

The SPEAKER pro tempore. Members are advised to not engage in personalities toward the President.

Mr. BARR. Mr. Speaker, I yield 3 minutes to the gentleman from Texas (Mr. HENSARLING), the chairman of the Financial Services Committee.

Mr. HENSARLING. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I rise in strong support of H.R. 3898, the Otto Warmbier North Korea Nuclear Sanctions Act, which our committee, the Financial Services Committee, passed on a unanimous basis.

I thank the gentleman from Kentucky (Mr. BARR), who is leading this debate today, for his leadership on our committee and for this bill. I also thank his ranking member, Ms. MOORE, the gentlewoman from Wisconsin, for her work on this bipartisan bill as well.

I also think that it is a good and proper thing, Mr. Speaker, that this bill is named after Otto Warmbier, a young life that was tragically ended far too soon, who, in his untimely demise, has become an international symbol of the crushing brutality of the North Korean regime.

So it is with his memory that this bill is designed. And, simply put, Mr. Speaker, the bill before us today represents the toughest set of financial sanctions ever directed against the nuclear armed North Korean regime, a regime that still represents a clear and present danger to the global community.

The sanctions our committee is bringing to the House today target foreign financial institutions that, in some way, are connected to North Korea's economic activity—activity that ultimately allows this rogue regime to both develop and proliferate weapons of mass destruction.

Under H.R. 3898, those foreign financial institutions are going to be confronted with a choice. As my colleague from Kentucky put it, they can either do business that benefits North Korea or they can do business with the United States, they cannot do both.

Given the far-reaching impact of the sanctions, our committee does not take them lightly. They are reserved for the gravest threats to our national security, and their application should be targeted at clear and achievable goals. That is why H.R. 3898 cuts off virtually any path that North Korea can take to generate hard currency, yet it holds out the prospect of sanctions relief, if there are real and verifiable limits to the regime's weapons program.

As punishing as these sanctions will be, there is a way out for North Korea, if it chooses to take it, and that is to comply. Otherwise, the Kim regime and its foreign enablers will learn that hostility towards America carries enormous cost.

Mr. Speaker, I again thank the gentleman from Kentucky for his effort, and I urge all of my colleagues to support this vitally needed legislation.

Ms. MAXINE WATERS of California. Mr. Speaker, I yield 3 minutes to the gentlewoman from New York (Mrs. CAROLYN B. MALONEY).

Mrs. CAROLYN B. MALONEY of New York. Mr. Speaker, I thank the ranking member for yielding and for her leadership on this committee.

Mr. Speaker, I rise today in support of H.R. 3898.

In August, I was part of a congressional delegation led by Senator MARKEY that visited South Korea, Japan, and the border between China and North Korea. It is just a short drive from Seoul, a city of about 10 million people, to the DMZ, which is the border line with North Korea. Standing there, you understand and see firsthand that even though the United States would prevail unquestionably in any armed conflict, the casualties suffered by South Korea would be horrendous.

Later, I hosted a meeting with Congresswoman WAGNER with South Korean Foreign Minister Kang here in the Congress. From these two meetings, I came back more convinced than ever that we have to leave no stone unturned to solve the most dangerous problem of our times peacefully through negotiations.

I firmly believe that the only way to drive North Korea to the negotiation table is to increase the financial pressure on this reckless rogue regime, which is what this bill does. It is one of the toughest sanction bills financially we have ever considered, and may be the toughest.

The fact that the dollar is the world's Reserve currency gives our country a very important bit of leverage. Companies doing business all over the world want to be paid, need to be paid, in dollars, not in any other currency. So if we restrict international and U.S. financial institutions from doing business with North Korea, then no matter how determined they might be to continue their destabilizing reckless course, they simply will not be able to get the dollars to buy the tools of terror that they need on the international market.

This is not the kind of action we should ever take lightly. This is not a tool to use, an action to take indiscriminately. But in this rare case, in the case of North Korea, such action is not only justified, it is necessary for the defense of our Nation and the defense of other nations.

If North Korea cannot buy the materials necessary to build long-range, nuclear-tipped missiles because they just don't have the dollars, then every country, every person on this globe can breathe a little easier and be a little safer.

The SPEAKER pro tempore. The time of the gentlewoman has expired.

Ms. MAXINE WATERS of California. Mr. Speaker, I yield an additional 1 minute to the gentlewoman from New York.

Mrs. CAROLYN B. MALONEY of New York. Mr. Speaker, this is really an urgently needed bill that not only directly addresses our own security needs, but also does a great service to the community of nations.

I would like to thank my friend, Mr. BARR, for all of his creative and hard work on this bill. I thank Chairman HENSARLING and Ranking Member WATERS for their leadership and support.

Mr. Speaker, I urge my colleagues to support this important bill.

Mr. BARR. Mr. Speaker, I, too, appreciate the bipartisan work on this piece of legislation, but I just do have to respond to my friend, the gentlewoman from California, and her comments about the Trump administration and the shift in policy.

It is hard to dispute that President Trump's public statements and official actions on North Korea have gotten Beijing's attention in a way that previous American Presidents have not. President Trump's tough rhetoric and tough talk on North Korea matches a shift in policy away from strategic patience to one that uses enhanced pressure through sanctions and the credible threat of military force to give substance and meaning to our diplomacy.

Even the Democrat witness in our hearing on this legislation admitted that the President's strong language had made a difference in giving us additional leverage in our negotiations with China.

Mr. Speaker, I yield 1 minute to the gentleman from Ohio (Mr. WENSTRUP).

Mr. WENSTRUP. Mr. Speaker, I strongly urge my colleagues to support Mr. BARR's legislation, the Otto Warmbier North Korea Nuclear Sanctions Act.

North Korea has continued to prove a dangerous and destabilizing force to the northeast Asian region, as well as to the United States and its allies. Its repeated missile tests, nuclear weapons tests, and heinous human rights violations demand that the United States continue its diplomatic and economic isolation campaign.

Today's bill is named for my constituent, Otto Warmbier, from Wyoming, Ohio, in the greater Cincinnati area.

Otto passed away on June 19 after spending 18 months in detention by the North Korean regime, the brutality of which was far beyond human decency or civility. The pain and heartache endured by Otto, his family, and his friends can never be undone or erased, but Congress can continue to take action by passing H.R. 3898 today and imposing the most far-reaching sanctions yet to be directed at North Korea.

There is no simple solution to countering such complex national security threats, but it is critical that we utilize both economic and diplomatic tools to hold hostile regimes like North Korea accountable when they act repeatedly and aggressively against our interests, our allies, our citizens, and our security.

Mr. Speaker, I strongly and sincerely urge support of this bill by every Member of this Chamber.

Ms. MAXINE WATERS of California. Mr. Speaker, I yield myself such time as I may consume.

To my colleague on the opposite side of the aisle who was responding to part of my statement, of course there are many in this country who worry about President Trump's reckless threats, his promise of fire and fury, his vow to destroy the Kim regime, his name-calling, warmongering, and rejection of diplomacy.

It directly contradicts his leading Cabinet officials who continue to stress the importance of imposing pressure on the Kim regime. It also demonstrates a Commander in Chief who lacks the discipline and the capacity to convince our allies to join us in dealing with the North Korean threat.

The SPEAKER pro tempore. The gentlewoman is reminded not to engage in personalities toward the President.

Ms. MAXINE WATERS of California. The gentlewoman will happily not engage in personalities except to say that the rhetoric to call Kim Jong-un the little rocket man is not productive and it does not do us well.

We have a situation in which nearly every high-level official in the U.S. Government believes the threats posed by the North Korean nuclear and missile programs must be front and center in U.S. national security decision-making.

This is a time for U.S. diplomatic and foreign policy efforts to be aggressively focused on intensifying economic and diplomatic coordination with our allies and China in a strategy that would entail sophisticated policymaking capacity and coordination across the U.S. Government. Instead, a week ago, in a move that I believe history will strongly condemn, President Trump refused to recertify the Iran nuclear deal, throwing into question continued U.S. support for the landmark nuclear accord.

Whether you support or hate the Iran nuclear deal, it is widely viewed, at

least so far, as successfully containing Iran's nuclear ambitions, and will for many years.

There can be no question that President Trump's threat to walk away from the international nuclear accord will have a direct and profoundly negative effect on our ability to convince Kim Jong-un or our allies that America will honor any commitment to integrate North Korea into the global community if it gives up its nuclear and missile programs.

In short, the President's threat to withdraw from the Iran nuclear deal undermines our credibility as a negotiating partner and throws into question the prospect of any effective nuclear diplomacy with North Korea. At a time when we are facing a nuclear crisis with North Korea, raising questions about our commitment to the Iran nuclear deal not only defies strategic logic, but it also undermines our national security.

On that issue, I would welcome, as I do with the legislation before us today, a stronger, more unified, bipartisan front.

Mr. Speaker, I reserve the balance of my time.

Mr. BARR. Mr. Speaker, I yield 3 minutes to the gentleman from Pennsylvania (Mr. ROTHFUS), the vice chairman of the Financial Institutions Subcommittee.

Mr. ROTHFUS. Mr. Speaker, I thank the gentleman from Kentucky for yielding.

Mr. Speaker, I rise in strong support of this bipartisan legislation sponsored by my friend and colleague, Mr. BARR from Kentucky.

This legislation sends a clear message to the rest of the world: you can either do business with the United States and the free world or you can do business with the brutal dictatorship of Kim Jong-un and the Democratic People's Republic of North Korea. You cannot deal with both.

Mr. Speaker, the gravest threat facing our Nation today is North Korea, the world's worst perpetrator of human rights. Kim's contempt for human life animates both his human rights record and his nuclear ambitions.

Just this past June, we learned how Kim's regime tortured University of Virginia student Otto Warmbier. His parents, Cindy and Fred, went public with the details of their son's suffering in September during an interview with CNN.

These are just a few of the details that Fred and Cindy shared in that interview: "Halfway up the stairs, we hear this loud, guttural howling, inhuman sound."

They found him strapped to a stretcher. He has a shaved head. His eyes are darting around. He is blind, he is deaf, he is on a feeding tube. His bottom teeth looked like they had been taken with a pair of pliers and rearranged. His mother, Cindy, described how his hands and legs were totally deformed.

Otto's story serves as a very real and very tangible reminder, and teaches a new generation of Americans of what happens under totalitarian governments and communist dictators.

Now, as the brutal Kim regime continues its nuclear quest, the same barbarism that killed Otto threatens all Americans. This July, the dictatorship claimed they had the capacity to send an intercontinental ballistic missile anywhere in the world. In September, they conducted their sixth nuclear weapons test and claimed to have detonated a hydrogen bomb that could be mounted on an intercontinental ballistic missile. These actions must not be ignored.

This legislation adds secondary sanctions to those passed in May. It not only prevents persons from trading with, facilitating trade with, investing in or participating in a joint venture with a North Korean entity, but it also targets foreign financial institutions from aiding in such actions. Simply put, this bill forces banks to cut off all participation with North Korea-related business interests, freezing out the capital that funds North Korea.

Mr. Speaker, 56 years ago, at the height of the Cold War, when another godless communist regime threatened the world, President Kennedy reminded us of America's exceptional nature and consequent leadership in the world. His inaugural address included this reflection: "And yet the same revolutionary beliefs for which our forebears fought are still at issue around the globe—the belief that the rights of man come not from the generosity of the state, but from the hand of God."

Mr. Speaker, I urge my colleagues to support this legislation not just for Otto and his family, but for all those who might be harmed by North Korea if we do not act now.

Mr. Speaker, I again thank the gentleman from Kentucky for his leadership on this vital issue.

Ms. MAXINE WATERS of California. Mr. Speaker, I reserve the balance of my time.

Mr. BARR. Mr. Speaker, I yield 2 minutes to the gentleman from Arkansas (Mr. HILL), a distinguished member of the Financial Services Committee.

Mr. HILL. Mr. Speaker, I thank our distinguished subcommittee chairman for yielding. I am proud to support my colleague from Kentucky on his bill, H.R. 3898, the Otto Warmbier North Korea Nuclear Sanctions Act.

I think it is important for all of us in this Chamber to know, as well as the people across this country, that there is no daylight between the two political parties in this capital, and there is no daylight between the United States Government and our Allied Governments around the world in working together to develop sanction regimes both bilaterally here in the United States and multilaterally across the world to end this nuclear threat.

For 24 years, Mr. Speaker, we have had three Presidencies—we are in our

fourth Presidency—dealing with this issue. This issue has not been handled. We have not sanctioned this regime. We have not enforced those sanctions. We have not obtained multilateral sanctions. We have not ever given the Kim dictatorship one reason to think that our government and our allied friends around the world are serious about ending the nuclear threat from North Korea.

Mr. Speaker, I thank my friend from Kentucky for standing up in the Financial Services Committee and leading the way for secondary sanctions. I thank my friends, Chairman ROYCE and Ranking Member ENGEL in the Foreign Affairs Committee, for their work with this administration to end this threat to not only north Asia, our economic allies, our national security allies, but also our friends around the world.

Mr. Speaker, I urge all my colleagues to support this important legislation.

Ms. MAXINE WATERS of California. Mr. Speaker, I reserve the balance of my time.

Mr. BARR. Mr. Speaker, I yield 2 minutes to the gentleman from North Carolina (Mr. BUDD), a member of the Financial Services Committee.

Mr. BUDD. Mr. Speaker, I rise today in support of Representative BARR's bill, the Otto Warmbier North Korea Nuclear Sanctions Act.

Mr. Speaker, how is it that a tiny, isolated country like North Korea has the ability to fund and develop a nuclear weapons program with the capability to strike American soil?

The answer to that question is found in part through correspondent and payable-through accounts, which are tools used by North Korea to bypass the existing U.S. and U.N. sanctions against them.

Non-North Korean actors use these accounts to fund the government through shell and front companies. While these sanctions are implemented in good faith, it is time to acknowledge that sometimes they just don't work.

There is some good news, Mr. Speaker. If enacted, this bill requires the Treasury Secretary to impose strict conditions on those who knowingly do business with North Korea through those accounts.

We have also seen the United Nations take action recently by banning North Korea's export of iron ore, which is another legitimate step in stopping the continued development of their nuclear weapons program.

Finally, the Trump administration's executive orders will help us more easily target companies that do business with North Korea.

These actions, plus the enactment of this legislation, will create the most debilitating sanctions package Pyongyang and their financial surrogates have ever seen.

Of all the positive things in this bill, though, I am most excited by the language amending the Bretton Woods Agreement Act to instruct U.S. executive directors at international finan-

cial institutions, like the IMF and the World Bank, to use our "voice and vote" to oppose financial assistance to governments that knowingly support the Kim regime.

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The United States has long used its economic influence, a more aggressive element of soft power, to advance an agenda that liberates the oppressed in the darkest corners of the world like North Korea.

Mr. Speaker, I thank the gentleman from Kentucky for introducing this bill, and I urge its adoption.

Mr. BARR. Mr. Speaker, may I inquire how much time is remaining.

The SPEAKER pro tempore. The gentleman from Kentucky has 3 minutes remaining, and the gentlewoman from California has 7 minutes remaining.

Mr. BARR. Mr. Speaker, I yield 1½ minutes to the gentleman from Indiana (Mr. HOLLINGSWORTH), another distinguished member of the Financial Services Committee.

Mr. HOLLINGSWORTH. Mr. Speaker, I, too, rise in strong support of this legislation.

Every single week, I make phone calls to Hoosiers back home, and I hear every night on those phone calls how hard they are working to build a better and brighter future for themselves, for their families, and for their children; but they understand that, in order to have a brighter, better future, they must have a future. I hear on the phone every single night how concerned they are that there won't be a future with all that they see, all that they read, all that they hear about these threats from North Korea.

We in Congress have heard their pleas to do something, that enough is enough, that threats against Guam, that ICBMs flying off the Peninsula, that nuclear tests, that the time has come for decisive action, and decisive action is what we are taking here.

The toughest financial sanctions ever put in place, that is what this bill does, and that is what we need to put in place to ensure that we demand real change from North Korea, that we demand that they stop threatening Americans and the American way of life.

Mr. Speaker, I support this legislation, support the work that is being done to confront this challenge once and for all, and this bill demands the question: Will you do business with the United States or will you do business with North Korea?

Mr. Speaker, I am excited to stand up in support of this legislation.

Ms. MAXINE WATERS of California. Mr. Speaker, I yield back the balance of my time.

Mr. BARR. Mr. Speaker, I yield the balance of my time to the gentleman from Indiana (Mr. MESSER), another distinguished member of the Financial Services Committee.

Mr. MESSER. Mr. Speaker, I want to thank my colleague from Kentucky for

his leadership and my colleague from Indiana for his leadership on this legislation as well.

Mr. Speaker, from day one, President Trump's message to North Korea has been clear: the U.S. will not tolerate any North Korean actions that threaten American lives.

Hoosiers appreciate President Trump's leadership and understand the crisis we face. North Korea is an erratic and brutal regime. We simply cannot accept a world in which North Korea has nuclear weapons that can reach American shores.

Unfortunately, with each missile test, we are moving closer to that world becoming a reality. That is why I am proud to work with my colleague from Kentucky and other colleagues on the Otto Warmbier North Korean Nuclear Sanctions Act. With this bill, we will give foreign financial institutions a clear choice: you can either do business with Kim Jong-un in North Korea, or you can do business with the United States—but not both.

By imposing the toughest financial sanctions ever on North Korea, this bill cuts off crucial resources that the regime relies on to finance its weapons program.

Mr. Speaker, I urge my colleagues to support this measure, help us meet the North Korean threat head-on, and do what is necessary to protect our country.

Mr. BARR. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Kentucky (Mr. BARR) that the House suspend the rules and pass the bill, H.R. 3898, as amended.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds being in the affirmative, the ayes have it.

Mr. BARR. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, further proceedings on this motion will be postponed.

STRENGTHENING CYBERSECURITY INFORMATION SHARING AND COORDINATION IN OUR PORTS ACT OF 2017

Mr. McCARTHY. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3101) to enhance cybersecurity information sharing and coordination at ports in the United States, and for other purposes, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 3101

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Strengthening Cybersecurity Information Sharing and Coordination in Our Ports Act of 2017".