

Mr. Jean-Claude Juncker
President of the European Commission
European Commission
Rue de la Loi 200
B-1049 Brussels
BELGIUM

24 September 2018

Dear President,

With this letter, we would like to share our deep concerns on the potential impact secondary sanctions being adopted by the United States against the Russian Federation under the “Countering America’s Adversaries Through Sanctions Act” might have on EU companies and existing long-term projects.

We would like to particularly highlight the detrimental impact secondary sanctions under the sections related to pipelines and crude oil of the U.S. law may have on the EU’s energy supply. A number of projects, which are vital to ensure the uninterrupted supply of energy in the EU, could be targeted or impacted. Interventions by the U.S. in the European energy market could lead to increased energy prices and cause considerable turbulences on commodity markets and stock exchanges. For instance, U.S. sanctions adopted in April had a serious impact in the aluminium market. Although not completely implemented yet, these sanctions are already causing bottlenecks for the EU’s supply of raw alumina and aluminium imports.

In practice, it can be very difficult for companies to prepare for the impact or collateral effects of sanctions, despite detailed guidance by the U.S. Office of Foreign Assets Control (OFAC).

We understand that the adoption of additional secondary sanctions under the CAATSA could be under consideration by the U.S. Administration. In this regard, we count on the European Commission to seek an intensified bilateral dialogue with its counterparts in the U.S. that should aim at addressing key interests of the EU and its companies. We are also confident that the European Commission stands ready to effectively support EU companies that may be affected by the extraterritorial application of potential secondary U.S. sanctions and will continue to work on initiatives such as the “special purpose vehicle” to counter their effects.

BusinessEurope values the continued dialogue established with the European Institutions on this issue. It is our firm belief that, in the area of sanctions, concerted actions have proven to be more effective in the long-term. In this context, we regret the unilateral and extraterritorial nature of U.S. sanctions and the lack of a coordinated approach between the U.S. and the EU, which often result in unintended consequences for European businesses and overall weakening of the Trans-Atlantic cooperation.

We thank you for your attention and for taking our concerns into consideration. BusinessEurope is committed to further supporting the continued diplomatic and legislative efforts to find viable solutions.

Yours sincerely,



Pierre Gattaz
President



Markus J. Beyrer
Director General