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*Tuesday, December 5, 2017*

**BUSINESS MEETING**

U.S. SENATE  
COMMITTEE ON FOREIGN RELATIONS  
115<sup>TH</sup> CONGRESS, FIRST SESSION

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# BUSINESS MEETING

*Tuesday, December 5, 2017*

U.S. SENATE,  
COMMITTEE ON FOREIGN RELATIONS,  
WASHINGTON, DC.

1           The committee met, pursuant to notice, at 2:35 p.m., in Room S-116, in the  
2 Capitol Building, Hon. Bob Corker, chairman of the committee, presiding.

3           Present: Senators Corker, Risch, Rubio, Johnson, Isakson, Gardner, Young,  
4 Barrasso, Flake, Portman, Paul, Cardin, Menendez, Shaheen, Coons, Udall, Murphy,  
5 Kaine, Markey, Merkley, and Booker.

## OPENING STATEMENT OF HON. BOB CORKER, U.S. SENATOR FROM TENNESSEE

6           **THE CHAIRMAN.** I am going to call the meeting to order. I want to thank  
7 everybody for coming.

8           I have a number of things I could say on the front end, and, Ben, I am sure you  
9 could, too. But I wonder, I know that Portman only has 15 minutes here.

10          **SENATOR PORTMAN.** I am presiding.

11          **THE CHAIRMAN.** You are presiding. That is right.

1           Would you object if we just go straight to the votes and then give comments  
2 after?

3           **SENATOR CARDIN.**    That is fine.

4           **THE CHAIRMAN.** Is that okay with members that may want to give comments?

5           **SENATOR CARDIN.**    I do want to just explain to the members, I understand how  
6 you may be voting on the nominees, but I will be explaining why I will not be  
7 supporting two of the nominees. I just want all the members to know that we have  
8 concerns with two of the nominees that we are going to be voting on, that is Mr. Ueland  
9 and Mr. Evans.

10          **THE CHAIRMAN.** Well, because of those concerns and because Murphy has  
11 walked in and made it 7 to 6, we will hold off on the nominations.

12          [Laughter.]

13          **THE CHAIRMAN.** So why don't we go ahead and move to the other business, and  
14 we will do the noms when either a couple Democrats leave --

15          [Laughter.]

16          **THE CHAIRMAN.** -- or another Republican comes in.

17          So I guess what we will do, we will make comments after, for the record. I  
18 appreciate the work that so many people have done, and I want to give those accolades  
19 in just a moment.

1           But let's move to S. 1118, the North Korean Human Rights Reauthorization Act. I  
2 would like to entertain a motion to approve the substitute amendment and the Rubio  
3 amendment, en bloc, by voice vote.

4           **SENATOR CARDIN.**    So moved.

5           **THE CHAIRMAN.** Is there a second?

6           **SENATOR MURPHY.**    Second.

7           **THE CHAIRMAN.** So moved and seconded.

8           The question is on the motion to approve the substitute amendment and the  
9 Rubio amendment.

10          All those in favor, say aye.

11          [Chorus of ayes.]

12          **THE CHAIRMAN.** Opposed?

13          [No response.]

14          **THE CHAIRMAN.** With that, the ayes have it, and the amendments are agreed to.

15          Is there a motion to approve the legislation, as amended?

16          **SENATOR CARDIN.**    So moved.

17          **SENATOR RUBIO.**    Second.

18          **THE CHAIRMAN.** So moved and seconded.

19          The question is on the motion to approve S. 1118, as amended.

20          All in favor, say aye.

1 [Chorus of ayes.]

2 **THE CHAIRMAN.** Opposed?

3 [No response.]

4 **THE CHAIRMAN.** With that, the ayes have it. The legislation, as amended, is  
5 agreed to.

6 Next, we will move to S. 1901, the LEED Act. First, I will entertain a motion to  
7 approve the substitute amendment and manager's amendment, en bloc, by voice vote.

8 **SENATOR CARDIN.** So moved.

9 **SENATOR GARDNER.** Second.

10 **THE CHAIRMAN.** So moved and seconded.

11 The question is on the motion to approve the substitute amendment and the  
12 manager's amendment.

13 All those in favor, say aye.

14 [Chorus of ayes.]

15 **THE CHAIRMAN.** Opposed?

16 [No response.]

17 **THE CHAIRMAN.** With that, the ayes have it. The amendments are agreed to.

18 Are there any other amendments?

19 **SENATOR MARKEY.** Mr. Chairman?

20 **THE CHAIRMAN.** Yes, sir?

1           **SENATOR MARKEY.** Thank you, Mr. Chairman. Mr. Chairman, first of all, I  
2 want to thank you and the ranking member --

3           **THE CHAIRMAN.** Let me ask you if I can do this, if I could? Is there any way, in  
4 the middle of a motion, to move to something else?

5           **SENATOR MARKEY.** By unanimous consent, you can do anything.

6           **THE CHAIRMAN.** By unanimous consent, because of the mix that we have here in  
7 the room, and because I know you all are not wishing to obstruct, can we stop the  
8 business at hand and take up the nominations?

9           **SENATOR CARDIN.** That is perfectly okay. As I explained before some of you  
10 got here, I am going to vote against Mr. Ueland and Mr. Evans. I am more than happy  
11 to go over the reasons, if members would like to have them prior to the vote. But I  
12 think we have gone over this before.

13           So I am prepared to allow the votes to go forward and will put into the record  
14 the reasons after the vote.

15           **SENATOR ISAKSON.** Mr. Chairman?

16           **THE CHAIRMAN.** Yes, sir?

17           **SENATOR ISAKSON.** The Senator from Maryland and I have talked about this  
18 before. I want to say that Randy Evans is a great Georgian. He has been a great  
19 American who has worked in a number of administrations. He will be a great  
20 Ambassador.

1           **THE CHAIRMAN.** Thank you. Thank you so much.

2           Are we still good?

3           **SENATOR SHAHEEN.** No.

4           **THE CHAIRMAN.** Hey, Coons, could you leave the room?

5           [Laughter.]

6           **THE CHAIRMAN.** Seriously, do you not need to go to the --

7           **SENATOR CARDIN.** I want to compliment my Democratic colleagues for being  
8 here.

9           **THE CHAIRMAN.** With unanimous consent, we will move back to the business  
10 that we did have at hand, which was that Senator Markey had some comments about  
11 the bill before us.

12          **SENATOR MARKEY.** Thank you, Mr. Chairman, very much.

13          We are talking here about additional sanctions that should be and, in my  
14 opinion, must be applied to deal with the situation in North Korea.

15          We have Members of the Senate who are publicly talking about the need to  
16 evacuate 200,000 Americans from the South Korean Peninsula. We are on a march to  
17 war. We have a dangerous situation that is only escalating.

18          The Banking Committee's legislation is a good piece of legislation, but it excludes  
19 the key sanctions that have been successful in the past to drive the North Koreans to the  
20 table. That includes sanctions on oil and sanctions on slave wages.

1           And so I appreciate the language that has been included in the bill, the reporting  
2 language on oil exports, additional sanctions on illicit drug production, stronger  
3 reporting in general. But my feeling is that we are at a critical juncture as North Korea  
4 moves very rapidly toward the perfection of its ICBM program with miniaturization of  
5 a hydrogen bomb that can reach the United States.

6           They have telescoped the timeframe. They are moving very rapidly. I do believe  
7 that we should be imposing much tougher sanctions.

8           With Jeff Merkley, Chris Van Hollen, we went to Korea in the last week of  
9 August. When we were on the Yalu River, in the major commercial connection between  
10 North Korea and China, we took this picture of an oil truck going across the bridge  
11 from China into North Korea. It is happening as we speak, in addition to a crude oil  
12 pipeline, which continues to flow on a daily basis.

13           In my opinion, if we do wind up with a military action that takes place, and it  
14 escalates rapidly, the American people will want to know that we actually imposed the  
15 toughest possible sanctions without engaging in regime change, that we sent the  
16 message, and we gave the discretion to the administration to use this power wisely.

17           That has not happened yet. I think in the same way in Russia and Iran that the  
18 Senate acted, we should do so now, given the escalation of rhetoric that has taken place.



1           So I appreciate, Mr. Chairman, that you do not want amendments at this point in  
2 time on these issues. But my own opinion is that, if we can peacefully stop Kim Jong-un  
3 from finishing his program, that we should exhaust all remedies to do so.

4           I think many people now look back at the war in Iraq and they say that we did,  
5 in fact, stop his nuclear weapons program, but yet we had a war anyway that cost a  
6 trillion dollars and untold misery to hundreds of thousands of families in our country.

7           So my own perspective on this is that the Foreign Relations Committee should  
8 play a very robust role at this time, given all of the rhetoric that we are hearing from the  
9 White House and now increasingly from the Senate floor.

10           And I will not make the amendments at this time, Mr. Chairman, but I do think it  
11 is a subject before we reach the floor of the Senate that we have to discuss. If a sanctions  
12 package is going to pass, and we know that, in 1994 and in 2006, that is what drove the  
13 North Koreans back to the table, if we have not attempted to truly use that option, then  
14 we will not have played our role in trying to exhaust every remedy before a war begins.

15           **THE CHAIRMAN.** Very good.

16           **SENATOR CARDIN.** And I will have some comments later on.

17           **THE CHAIRMAN.** And I know other people will too -- Cory has worked very  
18 closely on this issue. Thank you for the additions you have made.

19           If you will, I am going to move ahead, and we can talk more about this, if it is  
20 okay, just because of some other business that has to happen.

1 Is there a motion to approve the legislation, as amended?

2 **SENATOR CARDIN.** So moved.

3 **THE CHAIRMAN.** Is there a second?

4 **SENATOR PAUL.** Second.

5 **THE CHAIRMAN.** So moved and seconded.

6 The question is on the motion to approve S. 1901, as amended.

7 All in favor, say aye.

8 [Chorus of ayes.]

9 **THE CHAIRMAN.** Opposed?

10 [No response.]

11 **THE CHAIRMAN.** With that, the ayes have it. The legislation, as amended, is  
12 agreed to.

13 We are going to move back to nominations.

14 **SENATOR CARDIN.** You can move, I think, 10 through 15 en bloc. There may  
15 be some individual recorded noes.

16 **THE CHAIRMAN.** So, first, I understand we need to move to a roll-call vote on the  
17 first two nominations. We will consider Eric Ueland to be Under Secretary of State for  
18 Management. I understand that this has to be a roll-call vote.

19 The clerk will call the roll.

20 **THE CLERK.** Mr. Risch?

1           **SENATOR RISCH.** Aye.

2           **THE CLERK.** Mr. Rubio?

3           **SENATOR RUBIO.** Aye.

4           **THE CLERK.** Mr. Johnson?

5           **SENATOR JOHNSON.** Aye.

6           **THE CLERK.** Mr. Flake?

7           **SENATOR FLAKE.** Aye.

8           **THE CLERK.** Mr. Gardner?

9           **SENATOR GARDNER.** Aye.

10          **THE CLERK.** Mr. Young?

11          **SENATOR YOUNG.** Aye.

12          **THE CLERK.** Mr. Barrasso?

13          **SENATOR BARRASSO.** Aye.

14          **THE CLERK.** Mr. Isakson?

15          **SENATOR ISAKSON.** Aye.

16          **THE CLERK.** Mr. Portman?

17          **SENATOR PORTMAN.** Aye.

18          **THE CLERK.** Mr. Paul?

19          **SENATOR PAUL.** Aye.

20          **THE CLERK.** Mr. Cardin?

1           **SENATOR CARDIN.**   No.

2           **THE CLERK.**   Mr. Menendez?

3           **SENATOR MENENDEZ.**   No.

4           **THE CLERK.**   Mrs. Shaheen?

5           **SENATOR SHAHEEN.**   No.

6           **THE CLERK.**   Mr. Coons?

7           **SENATOR COONS.**   No.

8           **THE CLERK.**   Mr. Udall?

9           **SENATOR UDALL.**   No.

10          **THE CLERK.**   Mr. Murphy?

11          **SENATOR MURPHY.**   No.

12          **THE CLERK.**   Mr. Kaine?

13          **SENATOR KAINE.**   No.

14          **THE CLERK.**   Mr. Markey?

15          **SENATOR MARKEY.**   No.

16          **THE CLERK.**   Mr. Merkley?

17          **SENATOR MERKLEY.**   No.

18          **THE CLERK.**   Mr. Booker?

19          **SENATOR BOOKER.**   No.

20          **THE CLERK.**   Mr. Chairman?

1           **THE CHAIRMAN.** Aye.

2           The clerk will report.

3           **THE CLERK.** Mr. Chairman, the yays are 11. The nays are 10.

4           **THE CHAIRMAN.** And if we could, let's move Senator Risch's vote to present aye,  
5 not proxy aye, if that is okay with him.

6           With that, the ayes have it, and he will be reported to the floor.

7           Next, we will entertain a motion to deal with Mr. James Randolph Evans to be  
8 Ambassador to Luxembourg.

9           The clerk will call the roll.

10          **THE CLERK.** Mr. Risch?

11          **SENATOR RISCH.** Aye.

12          **THE CLERK.** Mr. Rubio?

13          **SENATOR RUBIO.** Aye.

14          **THE CLERK.** Mr. Johnson?

15          **SENATOR JOHNSON.** Aye.

16          **THE CLERK.** Mr. Flake?

17          **SENATOR FLAKE.** Aye.

18          **THE CLERK.** Mr. Gardner?

19          **SENATOR GARDNER.** Aye.

20          **THE CLERK.** Mr. Young?

1           **SENATOR YOUNG.** Aye.

2           **THE CLERK.** Mr. Barrasso?

3           **SENATOR BARRASSO.** Aye.

4           **THE CLERK.** Mr. Isakson?

5           **SENATOR ISAKSON.** Aye.

6           **THE CLERK.** Mr. Portman?

7           **SENATOR PORTMAN.** Aye.

8           **THE CLERK.** Mr. Paul?

9           **SENATOR PAUL.** Aye.

10          **THE CLERK.** Mr. Cardin?

11          **SENATOR CARDIN.** No.

12          **THE CLERK.** Mr. Menendez?

13          **SENATOR MENENDEZ.** No.

14          **THE CLERK.** Mrs. Shaheen?

15          **SENATOR SHAHEEN.** No.

16          **THE CLERK.** Mr. Coons?

17          **SENATOR COONS.** No.

18          **THE CLERK.** Mr. Udall?

19          **SENATOR UDALL.** No.

20          **THE CLERK.** Mr. Murphy?

1           **SENATOR MURPHY.**   No.

2           **THE CLERK.**   Mr. Kaine?

3           **SENATOR Kaine.**   No.

4           **THE CLERK.**   Mr. Markey?

5           **SENATOR MARKEY.**   No.

6           **THE CLERK.**   Mr. Merkley?

7           **SENATOR MERKLEY.**   No.

8           **THE CLERK.**   Mr. Booker?

9           **SENATOR BOOKER.**   No.

10          **THE CLERK.**   Mr. Chairman?

11          **THE CHAIRMAN.**   Aye.

12          The clerk will report.

13          **THE CLERK.**   Mr. Chairman, the yays are 11. The nays are 10.

14          **THE CHAIRMAN.**   Thank you.

15          Senator Portman, thank you so much for being here.

16          Next, we will entertain a motion to move the following nominees, with one  
17 resolution, en bloc, by voice vote: Mr. Chris Ford to be Assistant Secretary of State for  
18 International Security and Nonproliferation; Yleem Poblete to be Assistant Secretary of  
19 State for Verification and Compliance; Rear Admiral Kenneth Braithwaite to be  
20 Ambassador to Norway; Brock Bierman to be Assistant Administrator of USAID for

1 Europe and Eurasia; Lee McClenny to be Ambassador to Paraguay; and S. Res. 150, the  
2 World Press Freedom Day Resolution.

3 All those in favor, say aye.

4 [Chorus of ayes.]

5 **THE CHAIRMAN.** Opposed?

6 [No response.]

7 **THE CHAIRMAN.** With that, the ayes have it and the --

8 **SENATOR CARDIN.** I think there might be some members -- I want to make  
9 sure that none of our members want to be recorded as no.

10 **THE CHAIRMAN.** Sure. Does anybody want to be recorded?

11 With that, the ayes have it, and the nominations and the resolution are agreed to.

12 Next, we will move to S. 447, the Justice for Uncompensated Survivors Today

13 Act. First, I will entertain a motion to approve the substitute amendment by voice vote.

14 **SENATOR CARDIN.** So moved.

15 **THE CHAIRMAN.** Is there a second?

16 **SENATOR RISCH.** Second.

17 **THE CHAIRMAN.** So moved and seconded.

18 The question is on the motion to approve the substitute amendment.

19 All those in favor, say aye.

20 [Chorus of ayes.]



1 THE CHAIRMAN. Opposed?

2 [No response.]

3 THE CHAIRMAN. With that, the ayes have it. The amendment is agreed to.

4 Is there a motion to approve the legislation, as amended?

5 SENATOR CARDIN. So moved.

6 THE CHAIRMAN. Is there a second?

7 SENATOR RISCH. Second.

8 THE CHAIRMAN. So moved and seconded.

9 The question is on the motion to approve the legislation, as amended.

10 All those in favor, say aye.

11 [Chorus of ayes.]

12 THE CHAIRMAN. Opposed?

13 [No response.]

14 THE CHAIRMAN. With that, the ayes have it. The legislation, as amended, is  
15 agreed to.

16 Lastly, we will consider S. Res. 139. First, I will entertain a motion to approve the  
17 preamble and resolving clause amendments, en bloc, by voice vote.

18 SENATOR CARDIN. So moved.

19 THE CHAIRMAN. Is there a second?

20 SENATOR RISCH. Second.

1           **THE CHAIRMAN.** So moved and seconded.

2           The question is on the motion to approve the preamble and resolving clause  
3 amendments, en bloc, by voice vote.

4           All those in favor, say aye.

5           [Chorus of ayes.]

6           **THE CHAIRMAN.** Opposed?

7           [No response.]

8           **THE CHAIRMAN.** With that, the ayes have it. The amendments are agreed to.  
9 Is there a motion to approve the resolution, as amended?

10          **SENATOR CARDIN.** So moved.

11          **THE CHAIRMAN.** Is there a second?

12          **SENATOR RISCH.** Second.

13          **THE CHAIRMAN.** So moved and seconded.

14          The question is on the motion to approve the resolution, as amended.

15          All those in favor, say aye.

16          [Chorus of ayes.]

17          **THE CHAIRMAN.** Opposed?

18          [No response.]

19          **THE CHAIRMAN.** With that, the ayes have it. The resolution, as amended, is  
20 agreed to.

1           And with that, I want to thank everybody for letting us do this in a somewhat  
2 unorthodox manner.

3           I have some opening comments that I will make later. I know that is unusual,  
4 but I know we have members that want to speak to North Korea and others, and I  
5 would be glad for anyone who wants to make comments other than myself to do so at  
6 present.

7           **SENATOR CARDIN.**   If I might, Mr. Chairman, let me, if I might, comment on  
8 several of these issues.

9           First, in regard to S. 1901, I want to thank Senator Gardner and Senator Markey  
10 for their work on this. A lot of what Senator Markey said in regard to trying to  
11 strengthen this, I certainly look forward to working with you.

12           We want the toughest possible sanctions against North Korea, considering their  
13 continued belligerent behavior in violation of international nonproliferation, as they are  
14 very much with their ballistic missile testing and their nuclear program.

15           I also just want to acknowledge one part of this bill, which I think is very, very  
16 important, and that is that our objective is clearly a complete, verifiable, and irrefutable  
17 dismantling of their nuclear program. But we recognize that the way forward to get  
18 this resolved is through a surge in diplomacy. And I just really want to underscore that  
19 point.

1           We recognize that the only way that is going to work is with the United States  
2 working with our international partners, particularly Japan and the Republic of Korea,  
3 but also Europe, in a common position with China so that we have a strategy where  
4 diplomacy can work, where there is confidence that our objective is the  
5 denuclearization of the Korean Peninsula, not a regime issue, and that we are prepared  
6 to have steps taken to build confidence in our goal to achieve a nonnuclear peninsula.

7           I think that is clearly our best case forward. And I want to make it clear that, as I  
8 look at this bill, I think it helps us to achieve that end. I just want to underscore the  
9 point that we really need to facilitate diplomacy that makes sense, particularly working  
10 with China, because they could change the equation in North Korea.

11           In regard to S. 1118, I want to thank Senator Rubio for his work on that. I was  
12 pleased to work with him on that particular issue. Human rights in North Korea, it is  
13 the worst country of the world.

14           This weekend, we celebrate International Human Rights Day. I think it is  
15 appropriate that we pass out of the committee this particular bill at this particular time  
16 because North Korea violates just about every human rights standard.

17           As one of our former ambassadors to the United Nations said, they grow missiles  
18 rather than allow their children to grow. And it is a true statement. They starve their  
19 population. They commit murders of people who disagree with the regime. They use

1 rape. The use sexual violence. They persecute on religion and political reasons, gender  
2 persecution, and the list goes on and on and on.

3 So I am very pleased that we are speaking with a united voice in regard to the  
4 reauthorization of the North Korean Human Rights Act.

5 Thank you for moving S. 447. Again, I thank Senator Rubio and Senator  
6 Baldwin. This will require the State Department to report on the status of countries on  
7 the return of stolen properties against Jews during World War II. I think the fact that  
8 we are going to do that inventory will have a very positive impact on actions of other  
9 countries to at last return stolen property to the rightful heirs.

10 And I thank the chairman for moving this resolution through this committee.

11 I want to thank Senator Rubio for his two resolutions, one on press freedom, the  
12 other on the persecution of the Baha'i minority.

13 In regard to the nominees, I want to just put on the record the reasons why the  
14 Democrats oppose Mr. Ueland to be Under Secretary of State for Management.

15 We were concerned by his response during the hearing. I had asked him a  
16 question in regard to following the direction of Congress in regard to appropriated  
17 funds. I got, at that time, I thought an acceptable answer. Senator Shaheen followed it  
18 up with additional questions, and the responses were not satisfactory.

19 We have a challenge that we want people that we confirm to carry out the laws  
20 that we pass, and I was not convinced that Mr. Ueland would be that strength in

1 management to carry out the appropriations that we pass in Congress that are  
2 desperately needed.

3         You know, we have a disagreement with this administration on funding.  
4 Democrats and Republicans both agree that the administration's budget is not realistic,  
5 and we are going to provide more money. And both the House and Senate  
6 Appropriations Committees have provided more money. We want to make sure that  
7 the person who is responsible to carry this out will, in fact, carry out the legislative  
8 mandate on the department.

9         And when you put on top of that the problems we are having with this  
10 administration on its plan to redesign the department, which we have yet to see and we  
11 do not know when it is coming; the freeze they have on hiring; their inability to fill  
12 critical positions, we need a strong voice in this position. And I think we are not  
13 comfortable that Mr. Ueland is the right person to do that.

14         In regard to Mr. Evans, a very fine person, I agree with you. We have a concern  
15 about what he did in not carrying out a court order on voter participation. And what  
16 he did, it is hard for us to understand sending out instructions that were contrary to a  
17 court order in regard to participation in an election. And that has caused us to have  
18 concern as to whether he should be confirmed as Ambassador.

19         Thank you, Mr. Chairman.

20         **THE CHAIRMAN.** Thank you.

1 Senator Merkley?

2 **SENATOR MERKLEY.** Mr. Chairman, was Dr. Poblete in the list that you read?

3 **THE CHAIRMAN.** She was.

4 **SENATOR MERKLEY.** I would like to be recorded as a no vote.

5 **THE CHAIRMAN.** Without objection.

6 **SENATOR BOOKER.** I would like to also be recorded as a no vote.

7 **THE CHAIRMAN.** Without objection.

8 Are there any other comments?

9 Senator Gardner, thanks again for your great work. And I want to personally  
10 thank you for the fact that the Banking Committee had a bill that came out. You  
11 authored, and we collectively passed, an outstanding North Korea bill under your  
12 leadership, and I appreciate that very much.

13 The Banking Committee has jurisdiction over sanctions, and we know bills can  
14 be rewritten in certain ways to go to certain committees. But you and Senator Markey  
15 have worked together to complement that, and you have done so in a cooperative way,  
16 and I very much appreciate both of you doing it. My understanding is the likelihood is  
17 those two bills will be joined on the floor. And I thank you for your patience.

18 And with that, I will turn to you.

1           SENATOR GARDNER. Thank you, Mr. Chairman. And Senator Markey and I  
2 have no idea what you are talking about, writing bills to try to get around somebody  
3 else's jurisdiction.

4           But I want to thank you for your support and this committee's work, really, on  
5 North Korea, because last year's legislation that Senator Menendez was so instrumental  
6 in passing, Senator Cardin as well, really did set a strong tone against North Korea.

7           At the time, when we passed that legislation, North Korea was the eighth most  
8 sanctioned nation on Earth by the United States, according to the Foundation for  
9 Defense of Democracy. Today, they are the fourth most sanctioned nation by the  
10 United States, since the passage of our legislation. That is a 214 percent increase in  
11 sanctions against North Korea.

12           But we still have a very long way to go to ramp up the maximum pressure, to  
13 ramp up the economic and diplomatic pressure on North Korea. There is still room on  
14 this runway left for economic and diplomatic pressure before any other action is taken  
15 by the United States.

16           So I believe there must be more to achieve that goal, which is the complete,  
17 verifiable, irreversible dismantling of the North Korean missile program.

18           China is critical to this, especially. According to C4ADS, there are over 5,000  
19 businesses in China that still do business with North Korea today. The original  
20 legislation that Senator Markey and I -- again, Senator Markey has been an incredible



1 partner in this. And I think I agree wholeheartedly with what he said about increasing  
2 pressure, this moment in time we have, before anything else happens.

3 Our original legislation identified 10 businesses in China that are responsible  
4 collectively, these 10 businesses, for 30 percent of the trade China has with North Korea.  
5 Remember, North Korea and China, China is responsible for 90 percent of North  
6 Korea's economy. These 10 companies were responsible for 30 percent of North Korea  
7 and China trade. One company is responsible for 10 percent of the trade with North  
8 Korea.

9 I would just ask unanimous consent for the record, our legislation that we  
10 introduced identified these 10 businesses and said that we are going to cut off access to  
11 U.S. markets and financial systems as a result of their continued decisions to do  
12 business with North Korea. When we introduced the legislation, I think this is  
13 important for members to know, when we introduced the legislation, we named and  
14 identified these 10 businesses. We immediately got contacted by many of these  
15 businesses.

16 I would just ask unanimous consent to submit two of the letters we received  
17 from the 10 we named, one from China Dawn Garment Company talking about their  
18 cessation of trade with North Korea. This is another letter from another company,  
19 Rizhao Steel Holding Group. Both have said they will no longer do business with  
20 North Korea.

1 I would just ask this to be submitted for the record.

**[The information referred to is located at the end of this document.]**

2 SENATOR GARDNER. We were contacted by others in that top 10 list. So just the  
3 mere fact that the United States Senate introduced legislation made a significant  
4 difference in terms of doing business with North Korea.

5 But there is more to do. So the LEED Act is an incredibly important part of this.  
6 We have to make it clear that you either do business with North Korea or you do  
7 business with the largest economy in the world, the United States. That is what this  
8 legislation does.

9 We have worked with the administration to convince 20 nations around the  
10 globe to downgrade their diplomatic relations or cut off trade with Pyongyang. The  
11 Philippines was the number three trading partner with North Korea. In August, they  
12 announced that they were cutting off their trade with North Korea.

13 And this legislation helps promote that idea of complete, verifiable, irreversible  
14 dismantlement of North Korea's ballistic and nuclear program, and that that is the only  
15 acceptable outcome of any negotiations.

16 That is what we are trying to do. That is why the CVID policy is so important.

17 And I want to commend Senator Markey for the opportunity to work with you.

18 We are going to work on this bill together with Senators Van Hollen and Toomey.

1           But note that this committee, the Foreign Relations Committee, has done such an  
2 incredible job. When nobody else was paying attention to North Korea, this committee  
3 was leading. I want to thank all of you for playing a part in that.

4           **SENATOR MARKEY.** Will the gentleman yield?

5           **SENATOR GARDNER.** Certainly.

6           **SENATOR MARKEY.** And I thank the Senator from Colorado for his partnership  
7 in working on this legislation.

8           I asked the Chinese Ambassador last week, why don't you just cut off the oil into  
9 North Korea? He said, well, right now, the Russians provide oil as well, so what would  
10 the point be?

11           And so they share a border with North Korea, with Russia and with China. So  
12 the amendment that we were going to propound would deal with both of those  
13 countries, to make sure that we were turning off the spigot, so Russia cynically does not  
14 undermine our foreign policy goals by increasing the viability of Kim's regime,  
15 notwithstanding anything that the Chinese did.

16           So again, I thank the Senator from Colorado. He has been great to work with.

17           And I do hope that between now and the floor that we can beef this up to be  
18 more realistic about what the pressure point is on the North Korean economy. And,  
19 ultimately, that is the slave wages and the oil.

1           **SENATOR GARDNER.** Reclaiming my time, Senator Markey makes a good point.  
2 We met with Ambassador Thae. Ambassador Thae was one of the highest level  
3 defectors from North Korea. He was the deputy ambassador to the United Kingdom.  
4 He said one thing about cutting off petroleum to North Korea. He said two outcomes  
5 would result directly from that action. Number one is the collapse of the regime.  
6 Number two, if the regime does not collapse, they would have to end the nuclear  
7 program.

8           So I think either of those outcomes certainly set back, if not end outright, the  
9 nuclear program. It is a very important and powerful tool that we still have not flexed  
10 yet.

11           **THE CHAIRMAN.** So we have a hearing, as I understand it, immediately hereafter.  
12 What I am going to do, if it is okay, is just ask that my opening comments be entered  
13 into the record, as they are written, which is better than I could deliver them.

**[The prepared statement of The Chairman follows:]**

**[COMMITTEE INSERT]**

We know some of you have had concerns with a couple of today's nominees, and we thank you for working with us to bring their nominations to a committee vote.

First, we will consider S. 1118. I would like to commend Senator Rubio for his leadership on North Korean human rights along with the other cosponsors of the North Korea Human Rights Reauthorization Act of 2017, including Senators Cardin, Gardner, Menendez and Cruz.

At a time when the world's attention is on North Korea's destabilizing nuclear and ballistic missile activities, it is critical that we also shine a light on North Korea's human rights abuses.

Since 2004, the North Korea Human Rights Act has provided a framework for U.S. and international efforts to expose the brutality of the North Korean regime and provide much needed assistance to the beleaguered North Korean people, including access to information.

We will also consider S. 1901, the LEED Act. I would like to thank Senators Gardner and Markey for introducing this legislation to help shape and focus a comprehensive U.S. strategy toward North Korea.

In addition, I also would like to thank Senator Cardin and his staff for working with us to fine tune the substitute amendment and the manager's amendment that will serve to complement the Banking Committee's recent effort on S.1591, the Otto Warmbier Banking Restrictions on North Korea Act of 2017.

I am proud of the critical role that this Committee has played on a bi-partisan basis in drawing attention to and providing invaluable tools to address the North Korea threat over the past several years, including the landmark North Korea Sanctions and Policy Enhancement Act of 2016 under the leadership of Senators Gardner and Menendez.

I am confident that the LEED Act will also contribute to our efforts to find a diplomatic solution to the North Korea crisis.

We will also consider S. 447, the JUST Act. Senators Baldwin and Rubio have worked on this issue for years in order to add clarity to a difficult process and provide support to Holocaust families and their survivors.

We also appreciate Senator Cardin's support and help in moving this bill. The amendment addresses changes that State requested and I would like to thank Senators Cardin, Baldwin, and Rubio for managing it so smoothly.

I also want to thank Senators Casey, Rubio and Wyden for bringing S. Res. 150 before the Committee, which marks World Press Freedom Day.

This resolution underscores the fundamental role of a free press and draws attention to the fact that journalists doing their job around the world are killed, jailed, and subject to harassment.

Lastly, we will consider S. Res. 139. This resolution condemns Iran's state-sponsored persecution of Baha'is and its continued human rights violations. We thank Senators Wyden, Rubio, Boozman, and Durbin for co-sponsoring this resolution.

1           **THE CHAIRMAN.** Does anybody else have any other --

2           **SENATOR YOUNG.** Give me about 20 seconds?

3           **THE CHAIRMAN.** Yes, sir?

4           **SENATOR YOUNG.** I just want to thank Senators Markey and Gardner for their  
5 leadership on this effort. I am proud to be a cosponsor of the LEED Act. I support  
6 additional and stronger sanctions, as you put forward here, and look forward to  
7 supporting additional legislation in the future that will tighten the economic noose on  
8 Kim Jong Un.

9           **SENATOR CARDIN.** And I would ask to be made a cosponsor of the JUST Act.

10          **THE CHAIRMAN.** Without objection.

11          That completes the committee's business. I ask unanimous consent that staff be  
12 authorized to make technical and conforming changes.

13          Without objection, so ordered.

1 We will see you all at the hearing. Thank you all so much.

**[Whereupon, at 3:05 p.m., the meeting was adjourned.]**

# Letter Submitted for the Record by Senator Gardner

September 7, 2017

The Honorable Cory Gardner  
United States Senate  
354 Russell Senate Office Building  
Washington, D.C. 20510

Dear Senator Gardner,

I write to you today regarding your legislation, S. 1562, "North Korean Enablers Accountability Act of 2017," and the actions that my company, Rizhao Steel Holding Group Co., Ltd., is conducting to ensure that it no longer imports commodities and goods from the Democratic People's Republic of Korea.

Rizhao Steel was founded in 2003 and is one of the largest private steel companies in China. Our company is an integrated enterprise group with an annual production capacity of 15 million tons of steel. Domestic and foreign customers are mainly steel traders, service centers, and end-user manufacturers.

In light of the response by the United Nations Security Council, the United States Government, and the Chinese Government against the Democratic People's Republic of Korea, Rizhao Steel is dedicated to ensuring its adherence to international and domestic law.

Your legislation, S. 1562, has targeted Rizhao Steel for its imports of commodities from North Korea. Rizhao Steel has taken measures to halt any practices that would potentially lead to U.S. sanctions to be imposed on the company. Therefore, we want to demonstrate to you why Rizhao Steel should no longer be a target of your legislation.

In that regard, the Rizhao Steel Board of Directors has directed the company to implement the following steps:

1. Rizhao Steel has issued a public declaration that it will no longer import any goods or commodities from North Korea. In fact, this has been our policy since February 2017.
2. Rizhao Steel will only use Chinese or other international shipping or trading companies for imports and exports of finished products that do not engage in trade with North Korea.
3. Rizhao Steel is working with a U.S. law firm (Covington Burling LLP) to take the necessary steps to put in place a credible, transparent export control compliance program that governs both imports and exports. The scope of the program will cover U.S. trade controls – trade controls administered by the U.S. Departments of Commerce, State and Treasury, including the Export Administration Regulations, the International Traffics in Arms Regulations, and the various sanctions programs administered by the Treasury Department's Office of Foreign Assets Control.

Attached to this letter you will find a copy of the public declaration to no longer import goods or commodities from North Korea made by Rizhao Steel in both English and Chinese. [The public declaration can also be viewed on our website at [www.rizhaosteel.com/en/](http://www.rizhaosteel.com/en/). Additionally, attached is a copy of a resolution from the Board of Directors of Rizhao Steel on the establishment of a Department




of Compliance within the company, which is directed to implement the aforementioned export compliance program in both English and Chinese.

We welcome the opportunity to speak to you and your staff on these plans, as well as update you on the implementation of these steps in the coming months.

Thank you,

Xue Jian  
Vice Chairman  
Rizhao Steel Holding Group Co. Ltd.



Att.

Public Declaration on the Decision to End the Importation of Goods and Commodities from North Korea  
Board Resolution on Establishing the Department of Compliance