COLUMBIA | SIPA
Center on Global Energy Policy

TRANSATLANTIC SANCTIONS POLICY: FROM THE 1982 SOVIET GAS PIPELINE EPISODE TO TODAY

BY RICHARD NEPHEW
MARCH 2019

ABOUT THE CENTER ON GLOBAL ENERGY POLICY

The Center on Global Energy Policy provides independent, balanced, data-driven analysis to help policymakers navigate the complex world of energy. We approach energy as an economic, security, and environmental concern. And we draw on the resources of a world-class institution, faculty with real-world experience, and a location in the world's finance and media capital.

Visit us at www.energypolicy.columbia.edu

@ColumbiaUenergy

ABOUT THE SCHOOL OF INTERNATIONAL AND PUBLIC AFFAIRS

SIPA's mission is to empower people to serve the global public interest. Our goal is to foster economic growth, sustainable development, social progress, and democratic governance by educating public policy professionals, producing policy-related research, and conveying the results to the world. Based in New York City, with a student body that is 50 percent international and educational partners in cities around the world, SIPA is the most global of public policy schools.

For more information, please visit www.sipa.columbia.edu

Columbia | SIPA
Center on Global Energy Policy

TRANSATLANTIC SANCTIONS POLICY: FROM THE 1982 SOVIET GAS PIPELINE EPISODE TO TODAY

BY RICHARD NEPHEW
MARCH 2019

1255 Amsterdam Ave
New York NY 10027

www.energypolicy.columbia.edu

@ColumbiaUenergy

ACKNOWLEDGMENTS

The author wishes to thank several anonymous reviewers for their comments as well as Lisa Martin, whose book *Coercive Cooperation* formed the basis of much of the history recounted here.

This policy paper represents the research and views of the author. It does not necessarily represent the views of the Center on Global Energy Policy.

The paper may be subject to further revision.

This work was made possible by support from the Center on Global Energy Policy. More information is available at: https://energypolicy.columbia.edu/about/mission.

Cover Image: G-7 Economic Summit leaders at Lancaster House in London, United Kingdom, (left to right) Francois Mitterrand, Margaret Thatcher and President Reagan, June 8, 1984, Courtesy of the Reagan Library

ABOUT THE AUTHORS

Richard Nephew is a Senior Research Scholar at the Center on Global Energy Policy. He is the author of The Art of Sanctions, a book from CGEP's Columbia University Press book series. Richard joined the Center February 1, 2015 directly from his role as Principal Deputy Coordinator for Sanctions Policy at the Department of State, a position he held since February 2013. Nephew also served as the lead sanctions expert for the U.S. team negotiating with Iran. From May 2011 to January 2013 Nephew served as the Director for Iran on the National Security Staff where he was responsible for managing a period of intense expansion of U.S. sanctions on Iran. Earlier in his career he served in the Bureau of International Security and Nonproliferation at the State Department and in the Office of Nonproliferation and International Security at the Department of Energy. Nephew holds a Masters in Security Policy Studies and a Bachelors in International Affairs, both from The George Washington University.

EXECUTIVE SUMMARY

Though many commentators have suggested that the Trump administration's approach with respect to sanctions threats against Europe is "unprecedented," the relative comity in US-European sanctions policy making in recent years may be the aberration. The United States and Europe have often disagreed about whether, when, and how to impose sanctions against even common adversaries and in order to resolve mutually recognized problems. One of the most serious examples of this occurred in 1982, when the United States and its European allies broke sharply over the US decision to impose sanctions on the Soviet Union over the crackdown on the Solidarity Movement in Poland. The crisis that emerged tested the NATO Alliance, European governments, and the Reagan administration.

This paper reviews the 1982 example and then sets some lessons from it against the current US-European relationship. It offers an assessment not only of the changing political, economic, and social factors that have contributed to greater compliance with US sanctions dictates on the part of Europe over the last few years, but also the relatively brittle nature of this cooperation. It underscores that, though the United States may be in a relatively predominant economic position at present, this situation may not and likely will not persist indefinitely.

From this perspective, it concludes with three recommendations for how to modify current US sanctions practice in order to help manage partner concerns and avoid future crises.

- ***Adopting a process more akin to the Federal Register notice procedure for new sanctions programs.*** There is a yawning need for more consultation in advance of US sanctions decisions that could have major market moving and alliance shaking potential. It is not necessary, nor would it be prudent, to have a process that required public scrutiny of individual or entity asset freeze scenarios, but for other, more broad sanctions initiatives, it would help to avoid unintended consequences and ensure a more comprehensive debate. Exceptions could also be made to this rule in the event of a legitimate emergency.

- ***Establishing an independent commission to evaluate US sanctions policies and challenges.*** Congress should set up an independent, bipartisan commission to examine the issue of US sanctions policy now and for the next twenty-five years. Its assignment would be to evaluate how sanctions have been used in the recent past, the international operating environment for sanctions now, and the dimensions of the sanctions policy challenge in the future.

- ***Improving congressional oversight of the sanctions process.*** Congress should also require evaluation reports for individual sanctions regimes as a standard part of the executive branch's use of the International Emergency Economic Powers Act (IEEPA). Of course, similar requirements ought to be considered a standard part of congressionally mandated sanctions as well.

COLUMBIA | SIPA
Center on Global Energy Policy