

[H.R. 757, North Korea Sanctions Enforcement Act \(Senate Amendment\)](#)

FLOOR SITUATION

On Friday, February 12, 2016, the House will consider the Senate Amendment to [H.R. 757](#), *the North Korea Sanctions Enforcement Act*, under suspension of the rules. H.R. 757 was introduced on February 5, 2015 by Rep. Ed Royce (R-CA) and passed the House on January 12, 2016 by a vote of [418-2](#). The Senate then passed the bill, with an amendment, on February 9, 2016 by unanimous consent.

SUMMARY

The Senate amendment to H.R. 757 includes numerous provisions to strengthen U.S. sanctions against North Korea.

Major Similarities – Major provisions in both the House and Senate-passed bills

- States that it is the policy of the United States to pursue sanctions against North Korea to ensure its peaceful disarmament
- Sanctions banks and people that aid North Korean proliferation, smuggling, money laundering, and human rights abuses
- Seizes assets forfeited for violations of sanctions
- Calls for a determination as to whether North Korea is a jurisdiction of primary money laundering concern (a designation that has been used against Iran), and if such a determination is made, authorizes the Administration to prevent North Korean banks from accessing the U.S. financial system
- Requires enhanced inspection requirements of ships and aircraft arriving from ports and airports where there are not sufficient processes to inspect North Korean cargo carefully

- Allows the President to terminate sanctions upon certification to Congress that North Korea is complying with the bill provisions and taking significant steps to establish an open, transparent, and free society

Major Differences

- Provides for enhanced human rights provisions including calling on the Department of State to develop a strategy to promote initiatives to enhance international awareness of and to address the human rights situation in North Korea.
- Codifies sanctions against individuals engaged in activities that undermine U.S. cybersecurity (included in Executive Orders [13687](#) and [13694](#)), and expands sanctions for cyber-attacks and the provision of industrial inputs used in North Korea's weapons programs and to earn the regime hard currency
- Requires the Department of State to expand the scope and frequency of issuance travel warning for all U.S. citizens to North Korea
- Exempts from sanctions any activity incidental to the POW/MIA accounting mission in North Korea which is tasked with identifying and recovering the remains of members of the United States Armed Forces
- Removes a report to Congress on the cooperation between North Korean and Iran on their nuclear programs required in the House-passed version
- Authorizes \$10 million to be appropriated for each FY 2017 through 2021, primarily for expanding radio broadcasting and other programs to improve access to information in that country and providing humanitarian assistance to North Korean refugees. The House-passed version did not authorize any additional funds.

Click [here](#) for the Legislative Digest for the House-passed version of the bill.

BACKGROUND

The government of North Korea “has repeatedly violated its commitments to the complete, verifiable, irreversible dismantlement of its nuclear weapons programs, and has willfully violated multiple United Nations Security Council resolutions calling for it to cease its development, testing, and production of weapons of mass destruction.”¹ The country “poses a grave risk for the proliferation of nuclear weapons and other weapons of mass destruction.”²

In addition, North Korea's government “has been implicated repeatedly in money laundering and illicit activities, including prohibited arms sales, narcotics trafficking, the counterfeiting of United States currency, and the counterfeiting of intellectual property of United States persons.”³ Further, its government has “repeatedly sponsored acts of international terrorism, including attempts to assassinate defectors and human rights activists, repeated threats of violence against foreign

¹ H.R. 757, Sec. 2(1).

² Id. at Sec. 2(2).

³ Id. at Sec. 2(3).

persons, leaders, newspapers, and cities, and the shipment of weapons to terrorists and state sponsors of terrorism.”⁴

The President also has determined that the government of North Korea is “responsible for knowingly engaging in significant activities undermining cybersecurity with respect to United States persons and interests, and for threats of violence against the civilian population of the United States.”⁵ The government’s conduct “poses an imminent threat to the security of the United States and its allies, to the global economy, to the safety of members of the United States Armed Forces, to the integrity of the global financial system, to the integrity of global nonproliferation programs, and to the people of North Korea.”⁶

Following reports of a recent North Korean nuclear test, Chairman Royce said that “the answer to North Korea’s threats is more pressure, not less. This rogue regime has no interest in being a responsible state. It continues to starve its people while it works to advance nuclear, missile and cyber weapons that pose a direct threat to the U.S. and our allies. The administration’s North Korea policy has proven a dramatic failure, and we urgently need a new approach.”⁷

H.R. 757 is designed to “use nonmilitary means to address this crisis, to provide diplomatic leverage to negotiate necessary changes in North Korea’s conduct, and to ease the suffering of the people of North Korea.”⁸ According to Chairman Royce, “North Korea continues to threaten the United States and our close allies with its nuclear, missile, and now cyber capabilities. I am pleased to [introduce this legislation] to step up the targeting of those financial institutions in Asia and beyond that are supporting this brutal and dangerous regime. By shutting down North Korea’s illicit activities, we deprive the Kim regime of the money it needs to pay the generals and to conduct nuclear weapons research.”⁹

In the 113th Congress, the House passed similar legislation, *the North Korea Sanctions Enforcement Act* ([H.R. 1771](#)), by voice vote on July 28, 2014.

COST

The Congressional Budget Office (CBO) [estimates](#) that implementing the Senate Amendment to H.R. 757 would cost \$44 million over the 2016 to 2021 period, assuming appropriation of the specified and estimated amounts. Because enacting the legislation would affect direct spending and revenues, pay-as-you-go procedures apply. CBO estimates that enacting the legislation would not increase net direct spending or on-budget deficits by more than \$5 billion in any of the four consecutive 10-year periods beginning in 2027.

STAFF CONTACT

For questions or further information please contact [Molly Newell](#) with the House Republican Policy Committee by email or at 2-1374.

⁴ Id. at Sec. 2(4).

⁵ Id. at Sec. 2(9).

⁶ Id. at Sec. 2(11)

⁷ See Press Release—“[Chairman Royce Condemns North Korea Nuclear Test](#),” January 6, 2016.

⁸ H.R. 757 at Sec. 2(12)

⁹ See Press Release—“[Chairman Royce, Ranking Member Engel Introduce Legislation to Tackle Growing North Korea Threat](#),” February 5, 2015.