TO STRENGTHEN IRAN SANCTIONS LAWS FOR THE PURPOSE OF COMPELLING IRAN TO ABANDON ITS PURSUIT OF NUCLEAR WEAPONS AND OTHER THREATENING ACTIVITIES, AND FOR OTHER PURPOSES; AND TO PROVIDE FOR THE APPLICATION OF MEASURES TO FOREIGN PERSONS WHO TRANSFER TO IRAN, NORTH KOREA, AND SYRIA CERTAIN GOODS, SERVICES, OR TECHNOLOGY, AND FOR OTHER PURPOSES

MARKUP

BEFORE THE

COMMITTEE ON FOREIGN AFFAIRS
HOUSE OF REPRESENTATIVES

ONE HUNDRED TWELFTH CONGRESS

FIRST SESSION

ON

H.R. 1905 and H.R. 2105

NOVEMBER 2, 2011

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TO STRENGTHEN IRAN SANCTIONS LAWS FOR THE PURPOSE OF COMPELLING IRAN TO ABANDON ITS PURSUIT OF NUCLEAR WEAPONS AND OTHER THREATENING ACTIVITIES, AND FOR OTHER PURPOSES; AND TO PROVIDE FOR THE APPLICATION OF MEASURES TO FOREIGN PERSONS WHO TRANSFER TO IRAN, NORTH KOREA, AND SYRIA CERTAIN GOODS, SERVICES, OR TECHNOLOGY, AND FOR OTHER PURPOSES

WEDNESDAY, NOVEMBER 2, 2011

HOUSE OF REPRESENTATIVES,
COMMITTEE ON FOREIGN AFFAIRS,
Washington, DC.

The committee met, pursuant to notice, at 10:05 a.m., in room 2172, Rayburn House Office Building, Hon. Ileana Ros-Lehtinen (chairman of the committee) presiding.

Chairman ROS-LEHTINEN. The committee will come to order.

Pursuant to notice, the committee meets today to consider two timely bills to address critical threats facing the United States.

At the outset, without objection, all members may have 5 days to submit remarks on either of today's bills for the record.

I now call up the bill H.R. 1905, the Iran Threat Reduction Act of 2011.

Ms. CARROLL. H.R. 1905, to strengthen Iran sanctions laws for the purpose of compelling——

Chairman ROS-LEHTINEN. Thank you.

Without objection, the bill is considered as read and open for amendment at any point.

[H.R. 1905 follows:]

I

112TH CONGRESS
1ST SESSION

H. R. 1905

To strengthen Iran sanctions laws for the purpose of compelling Iran to abandon its pursuit of nuclear weapons and other threatening activities, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MAY 13, 2011

Ms. ROS-LEHTINEN (for herself, Mr. BERMAN, Mr. ROYCE, Mr. SHERMAN, Mr. BURTON of Indiana, Mr. DEUTCH, Mr. CHABOT, and Mr. ACKERMAN) introduced the following bill; which was referred to the Committee on Foreign Affairs, and in addition to the Committees on Financial Services, Oversight and Government Reform, the Judiciary, and Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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A BILL

To strengthen Iran sanctions laws for the purpose of compelling Iran to abandon its pursuit of nuclear weapons and other threatening activities, and for other purposes.

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

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Iran Threat Reduction Act of 2011".

1 (b) TABLE OF CONTENTS.—The table of contents for
2 this Act is as follows:

Sec. 1. Short title; table of contents.
Sec. 2. Findings.
Sec. 3. Statement of policy.

TITLE I—IRAN ENERGY SANCTIONS

Sec. 101. Findings.
Sec. 102. Sense of Congress.
Sec. 103. Declaration of policy.
Sec. 104. Multilateral regime.
Sec. 105. Imposition of sanctions.
Sec. 106. Description of sanctions.
Sec. 107. Advisory opinions.
Sec. 108. Termination of sanctions.
Sec. 109. Duration of sanctions.
Sec. 110. Reports required.
Sec. 111. Determinations not reviewable.
Sec. 112. Exclusion of certain activities.
Sec. 113. Definitions.
Sec. 114. Effective date.
Sec. 115. Repeal.

TITLE II—IRAN FREEDOM SUPPORT

Sec. 201. Codification of sanctions.
Sec. 202. Declaration of Congress regarding United States policy toward Iran.
Sec. 203. Assistance to support democracy in Iran.
Sec. 204. Imposition of sanctions on certain persons who are responsible for or complicit in human rights abuses committed against citizens of Iran or their family members after the June 12, 2009, elections in Iran.
Sec. 205. Comprehensive strategy to promote Internet freedom and access to information in Iran.

TITLE III—IRAN REGIME AND IRAN REVOLUTIONARY GUARD CORPS ACCOUNTABILITY

Sec. 301. Exportation of petroleum, oil, and natural gas produced by Iran's Islamic Revolutionary Guard Corps or its affiliates.
Sec. 302. Iranian activities in Iraq and Afghanistan.
Sec. 303. United States policy toward Iran.
Sec. 304. Definitions.

TITLE IV—IRAN FINANCIAL SANCTIONS; DIVESTMENT FROM CERTAIN COMPANIES THAT INVEST IN IRAN; AND PREVENTION OF DIVERSION OF CERTAIN GOODS, SERVICES, AND TECHNOLOGIES TO IRAN

Sec. 401. Iran financial sanctions.
Sec. 402. Divestment from certain companies that invest in Iran.
Sec. 403. Prevention of diversion of certain goods, services, and technologies to Iran.

TITLE V—SECURITIES AND EXCHANGE COMMISSION

Sec. 501. Disclosures to the Securities and Exchange Commission relating to sanctionable activities.

TITLE VI—GENERAL PROVISIONS

Sec. 601. Denial of visas for certain persons of the Government of Iran.
Sec. 602. Sunset.

1 **SEC. 2. FINDINGS.**

2 Congress makes the following findings:

3 (1) Successive administrations have clearly
4 identified the unacceptability of the Iranian regime's
5 pursuit of nuclear weapons capabilities and the dan-
6 ger that pursuit presents to the United States, to
7 our friends and allies, and to global security.

8 (2) In May 1995, President Clinton stated that
9 "The specter of an Iran armed with weapons of
10 mass destruction and the missiles to deliver them
11 haunts not only Israel but the entire Middle East
12 and ultimately all the rest of us as well. The United
13 States and, I believe, all the Western nations have
14 an overriding interest in containing the threat posed
15 by Iran.".

16 (3) In the 2006 State of the Union Address,
17 President Bush stated that "The Iranian govern-
18 ment is defying the world with its nuclear ambitions,
19 and the nations of the world must not permit the
20 Iranian regime to gain nuclear weapons. America

will continue to rally the world to confront these threats.".

(4) In February 2009, President Obama committed the Administration to "developing a strategy to use all elements of American power to prevent Iran from developing a nuclear weapon".

(5) Iran is a major threat to U.S. national security interests, not only exemplified by Tehran's nuclear program but also by its material assistance to armed groups in Iraq and Afghanistan, to the Palestinian group Hamas, to Lebanese Hezbollah, and to other extremists that seek to undermine regional stability. These capabilities provide the regime with potential asymmetric delivery vehicles and mechanisms for nuclear or other unconventional weapons.

(6) Iran's growing inventory of ballistic missile and other destabilizing types of conventional weapons provides the regime the capabilities to enhance its power projection throughout the region and undermine the national security interests of the U.S. and its friends and allies.

(7) Were Iran to achieve a nuclear weapons capability, it would, inter alia—

(A) likely lead to the proliferation of such weapons throughout the region, where several states have already indicated interest in nuclear programs, and would dramatically undercut 60 years of U.S. efforts to stop the spread of nuclear weapons;

(B) greatly increase the threat of nuclear terrorism;

(C) significantly expand Iran's already-growing influence in the region;

(D) insulate the regime from international pressure, giving it wider scope further to oppress its citizens and pursue aggression regionally and globally;

(E) embolden all Iranian-supported terrorist groups, including Hamas and Hezbollah; and

(F) directly threaten several U.S. friends and allies, especially Israel, whose very right to exist has been denied successively by every leader of the Islamic Republic of Iran and which Iranian President Ahmadinejad says should be "wiped off the map".

(8) Successive Congresses have clearly recognized the threat that the Iranian regime and its poli-

cies present to the United States, to our friends and allies, and to global security, and responded with successive bipartisan legislative initiatives.

(9) The extent of the Iranian threat is greater today than when the Iran-Libya Sanctions Act was signed into law in 1996, now known as the Iran Sanction Act. That landmark legislation imposed sanctions on foreign companies investing in Iran's energy infrastructure in an effort to undermine the strategic threat from Iran, by cutting off investment in its petroleum sector and thereby denying the regime its economic lifeline and its ability to pursue a nuclear program.

(10) Legislation like ILSA, which was re-titled the Iran Sanctions Act in 2006, paved the way for similar legislation, such as the Iran, North Korea and Syria Nonproliferation Act; the Iran-Iraq Arms Nonproliferation Act (2006); the Iran Freedom Support Act (2006); and the Comprehensive Iran Sanctions, Accountability, and Divestment Act (2010).

(11) U.S. sanctions on Iran have hindered Iran's ability to attract capital, material, and technical support for its petroleum sector, creating financial difficulties for the regime.

(12) In the Joint Explanatory Statement of the Committee of Conference to the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (CISADA) (Public Law 111–195; 50 U.S.C. 1701 note) issued on June 23, 2010, the Members of the Committee of Conference noted that "Although [the Iran Sanctions Act] was enacted more than a decade ago, no Administration has sanctioned a foreign entity for investing $20 million or more in Iran's energy sector, despite a number of such investments. Indeed, on only one occasion, in 1998, did the Administration make a determination regarding a sanctions-triggering investment, but the Administration waived sanctions against the offending persons. Conferees believe that the lack of enforcement of relevant enacted sanctions may have served to encourage rather than deter Iran's efforts to pursue nuclear weapons.".

(13) The Joint Explanatory Statement also noted that "The effectiveness of this Act will depend on its forceful implementation. The Conferees urge the President to vigorously impose the sanctions provided for in this Act.".

(14) The Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 mandates

(among other provisions) that the President initiate investigations of potentially sanctionable activity under the Iran Sanctions Act (Public Law 104–172; 50 U.S.C. 1701 note). Although more than 6 months have passed since enactment of this legislation, Congress has not received notice of the imposition of sanctions on any entities that do significant business in the U.S., despite multiple reports of potentially sanctionable activity by such entities. Although, in accordance with CISADA, some potentially sanctionable entities have been persuaded to wind down and end their involvement in Iran, others have not. In fact, since CISADA became law, only two entities have been sanctioned, neither of which does business in the U.S. and both of which are therefore largely untouched by the sanctions.

(15) It is unlikely that Iran can be compelled to abandon its pursuit of nuclear weapons unless sanctions are fully and effectively implemented.

SEC. 3. STATEMENT OF POLICY.

It shall be the policy of the United States to—

(1) prevent Iran from—

(A) acquiring or developing nuclear weapons and associated delivery capabilities;

(B) developing its unconventional weapons and ballistic missile capabilities; and

(C) continuing its support for Foreign Terrorist Organizations and other activities aimed at undermining and destabilizing its neighbors and other nations; and

(2) fully implement all multilateral and bilateral sanctions against Iran in order to compel the Government of Iran to—

(A) abandon and verifiably dismantle its nuclear capabilities;

(B) abandon and verifiably dismantle its ballistic missile and unconventional weapons programs; and

(C) cease all support for Foreign Terrorist Organizations and other activities aimed at undermining and destabilizing its neighbors and other nations.

TITLE I—IRAN ENERGY SANCTIONS

SEC. 101. FINDINGS.

Congress makes the following findings:

(1) The efforts of the Government of Iran to achieve nuclear weapons capability and to acquire other unconventional weapons and the means to de-

1 liver them, both through ballistic-missile and asym-
2 metric means, and its support for foreign terrorist
3 organizations and other extremists endanger the na-
4 tional security and foreign policy interests of the
5 United States and those countries with which the
6 United States shares common strategic and foreign
7 policy objectives.

8 (2) The objectives of preventing the prolifera-
9 tion of nuclear and other unconventional weapons
10 and countering the activities of foreign terrorist or-
11 ganizations and other extremists through existing
12 multilateral and bilateral initiatives require further
13 efforts to deny Iran the financial means to sustain
14 its nuclear, chemical, biological, and missile weapons
15 programs and its active support for terrorism.

16 (3) The Government of Iran uses its diplomatic
17 facilities and quasi-governmental institutions outside
18 of Iran to support foreign terrorist organizations
19 and other extremists, and assist its unconventional
20 weapons and missile programs, including its nuclear
21 program.

22 **SEC. 102. SENSE OF CONGRESS.**

23 It is the sense of Congress that the goal of compelling
24 Iran to abandon its pursuit of nuclear weapons and other
25 threatening activities can be achieved most effectively

1 through full implementation of all sanctions enacted into
2 law, including those sanctions set out in this title.

3 **SEC. 103. DECLARATION OF POLICY.**

4 Congress declares that it is the policy of the United
5 States to deny Iran the ability to support acts of foreign
6 terrorist organizations and extremists and develop uncon-
7 ventional weapons and ballistic missiles. A critical means
8 of achieving that goal is sanctions that limit Iran's ability
9 to develop its energy resources, including its ability to ex-
10 plore for, extract, refine, and transport by pipeline its hy-
11 drocarbon resources, in order to limit the funds Iran has
12 available for pursuing its objectionable activities.

13 **SEC. 104. MULTILATERAL REGIME.**

14 (a) MULTILATERAL NEGOTIATIONS.—In order to
15 further the objectives of section 103, Congress urges the
16 President immediately to initiate diplomatic efforts, both
17 in appropriate international fora such as the United Na-
18 tions, and bilaterally with allies of the United States, to
19 expand the multilateral sanctions regime regarding Iran,
20 including—

21 (1) qualitatively expanding the United Nations
22 Security Council sanctions regime against Iran;

23 (2) qualitatively expanding the range of sanc-
24 tions by the European Union, South Korea, Japan,
25 Australia, and other key United States allies;

1 (3) further efforts to limit Iran's development
2 of petroleum resources and import of refined petro-
3 leum; and
4 (4) initiatives aimed at increasing non-Iranian
5 crude oil product output for current purchasers of
6 Iranian petroleum and petroleum byproducts.
7 (b) REPORTS TO CONGRESS.—Not later than 180
8 days after the date of the enactment of this Act, and annu-
9 ally thereafter, the President shall submit to the appro-
10 priate congressional committees a report on the extent to
11 which diplomatic efforts described in subsection (a) have
12 been successful. Each report shall include—
13 (1) the countries that have agreed to undertake
14 measures to further the objectives of section 103
15 with respect to Iran, and a description of those
16 measures; and
17 (2) the countries that have not agreed to meas-
18 ures described in paragraph (1), and, with respect to
19 those countries, other measures the President rec-
20 ommends that the United States take to further the
21 objectives of section 103 with respect to Iran.
22 (c) INTERIM REPORT ON MULTILATERAL SANC-
23 TIONS; MONITORING.—Not later than 90 days after the
24 date of the enactment of this Act, the President shall sub-

1 mit to the appropriate congressional committees a report
2 on—
3 (1) the countries that have established legisla-
4 tive or administrative standards providing for the
5 imposition of trade sanctions on persons or their af-
6 filiates that conduct business or have investments in
7 Iran;
8 (2) the extent and duration of each instance of
9 the application of such sanctions; and
10 (3) the disposition of any decision with respect
11 to such sanctions by the World Trade Organization
12 or its predecessor organization.
13 (d) INVESTIGATIONS.—
14 (1) IN GENERAL.—The President shall initiate
15 an investigation into the possible imposition of sanc-
16 tions under section 105 against a person upon re-
17 ceipt by the United States of credible information
18 indicating that such person is engaged in an activity
19 described in such section.
20 (2) DETERMINATION AND NOTIFICATION.—Not
21 later than 180 days after the date on which an in-
22 vestigation is initiated under paragraph (1), the
23 President shall (unless paragraph (6) applies) deter-
24 mine, pursuant to section 105, if a person has en-
25 gaged in an activity described in such section and

shall notify the appropriate congressional committees of the basis for any such determination.

(3) BRIEFING.—

(A) IN GENERAL.—Not later than 30 days after the date of the enactment of this Act, and at the end of every three-month period thereafter, the President, acting through the Secretary of State, shall brief the appropriate congressional committees regarding investigations initiated under this subsection.

(B) FORM.—The briefings required under subparagraph (A) shall be provided in unclassified form, but may be provided in classified form.

(4) SUBMISSION OF INFORMATION.—

(A) IN GENERAL.—The Secretary of State shall, in accordance with section 15(b) of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2680(b)), provide to the appropriate congressional committees all requested information relating to investigations or reviews initiated under this title.

(B) FORM.—The information required under subparagraph (A) shall be provided in

1 unclassified form, but may contain a classified
2 annex.
3 (5) TERMINATION.—Subject to paragraph (6),
4 the President may, on a case-by-case basis, termi-
5 nate an investigation of a person initiated under this
6 subsection.
7 (6) SPECIAL RULE.—
8 (A) IN GENERAL.—The President need not
9 initiate an investigation, and may terminate an
10 investigation, on a case-by-case basis under this
11 subsection if the President certifies in writing
12 in to the appropriate congressional committees
13 15 days prior to the determination that—
14 (i) the person whose activity was the
15 basis for the investigation is no longer en-
16 gaging in the activity or is divesting all
17 holdings and terminating the activity with-
18 in one year from the date of the certifi-
19 cation; and
20 (ii) the President has received reliable
21 assurances that the person will not know-
22 ingly engage in an activity described in
23 section 105(a) in the future.
24 (B) APPLICATION OF SANCTIONS.—The
25 President shall apply the sanctions described in

1 section 106(a) in accordance with section
2 105(a) to a person described in subparagraph
3 (A) of this paragraph if the person fails to
4 verifiably divest all holdings and terminate the
5 activity described in subparagraph (A) of this
6 paragraph within one year from the date of cer-
7 tification.

8 **SEC. 105. IMPOSITION OF SANCTIONS.**

9 (a) SANCTIONS WITH RESPECT TO THE DEVELOP-
10 MENT OF PETROLEUM RESOURCES OF IRAN, PRODUC-
11 TION OF REFINED PETROLEUM PRODUCTS IN IRAN, AND
12 EXPORTATION OF REFINED PETROLEUM PRODUCTS TO
13 IRAN.—

14 (1) DEVELOPMENT OF PETROLEUM RESOURCES
15 OF IRAN.—

16 (A) IN GENERAL.—Except as provided in
17 subsection (f), the President shall impose a ma-
18 jority of the sanctions described in section
19 106(a) with respect to a person if the President
20 determines that the person knowingly, on or
21 after the date of the enactment of this Act—

22 (i) makes an investment described in
23 subparagraph (B) of $20,000,000 or more;
24 or

1 (ii) makes a combination of invest-
2 ments described in subparagraph (B) in a
3 12-month period if each such investment is
4 of at least $5,000,000 and such invest-
5 ments equal or exceed $20,000,000 in the
6 aggregate.
7 (B) INVESTMENT DESCRIBED.—An invest-
8 ment described in this subparagraph is an in-
9 vestment that directly and significantly contrib-
10 utes to the enhancement of Iran's ability to de-
11 velop petroleum resources.
12 (2) PRODUCTION OF REFINED PETROLEUM
13 PRODUCTS.—
14 (A) IN GENERAL.—Except as provided in
15 subsection (f), the President shall impose a ma-
16 jority of the sanctions described in section
17 106(a) with respect to a person if the President
18 determines that the person knowingly, on or
19 after the date of the enactment this Act, sells,
20 leases, or provides to Iran goods, services, tech-
21 nology, information, or support described in
22 subparagraph (B)—
23 (i) any of which has a fair market
24 value of $1,000,000 or more; or

1 (ii) that, during a 12-month period,
2 have an aggregate fair market value of
3 $5,000,000 or more.
4 (B) GOODS, SERVICES, TECHNOLOGY, IN-
5 FORMATION, OR SUPPORT DESCRIBED.—Goods,
6 services, technology, information, or support de-
7 scribed in this subparagraph are goods, serv-
8 ices, technology, information, or support that
9 could directly and significantly facilitate the
10 maintenance or expansion of Iran's domestic
11 production of refined petroleum products, in-
12 cluding any direct and significant assistance
13 with respect to the construction, modernization,
14 or repair of petroleum refineries or associated
15 infrastructure, including construction of port
16 facilities, railways, and roads, the primary use
17 of which is to support the delivery of refined pe-
18 troleum products.
19 (3) EXPORTATION OF REFINED PETROLEUM
20 PRODUCTS TO IRAN.—
21 (A) IN GENERAL.—Except as provided in
22 subsection (f), the President shall impose a ma-
23 jority of the sanctions described in section
24 106(a) with respect to a person if the President

1 determines that the person knowingly, on or
2 after the date of the enactment of this Act—
3 (i) sells or provides to Iran refined pe-
4 troleum products—
5 (I) that have a fair market value
6 of $1,000,000 or more; or
7 (II) that, during a 12-month pe-
8 riod, have an aggregate fair market
9 value of $5,000,000 or more; or
10 (ii) sells, leases, or provides to Iran
11 goods, services, technology, information, or
12 support described in subparagraph (B)—
13 (I) any of which has a fair mar-
14 ket value of $1,000,000 or more; or
15 (II) that, during a 12-month pe-
16 riod, have an aggregate fair market
17 value of $5,000,000 or more.
18 (B) GOODS, SERVICES, TECHNOLOGY, IN-
19 FORMATION, OR SUPPORT DESCRIBED.—Goods,
20 services, technology, information, or support de-
21 scribed in this subparagraph are goods, serv-
22 ices, technology, information, or support that
23 could directly and significantly contribute to the
24 enhancement of Iran's ability to import refined
25 petroleum products, including—

(i) except as provided in subparagraph (C), underwriting or entering into a contract to provide insurance or reinsurance for the sale, lease, or provision of such goods, services, service contracts, technology, information, or support;

(ii) financing or brokering such sale, lease, or provision;

(iii) purchasing, subscribing to, or facilitating the issuance of Iranian sovereign debt; or

(iv) providing ships or shipping services.

(C) EXCEPTION FOR UNDERWRITERS AND INSURANCE PROVIDERS EXERCISING DUE DILIGENCE.—The President may not impose sanctions under this paragraph with respect to a person that provides underwriting services or insurance or reinsurance if the President determines that the person has exercised due diligence in establishing and enforcing official policies, procedures, and controls to ensure that the person does not underwrite or enter into a contract to provide insurance or reinsurance for the sale, lease, or provision of goods, services,

technology, information, or support described in subparagraph (B).

(b) MANDATORY SANCTIONS WITH RESPECT TO DEVELOPMENT OF WEAPONS OF MASS DESTRUCTION OR OTHER MILITARY CAPABILITIES.—

(1) IN GENERAL.—The President shall impose a majority of the sanctions described in section 106(a) if the President determines that a person, on or after the date of the enactment of this Act, has knowingly exported, transferred, permitted, hosted, or otherwise facilitated transshipment that may have enabled a person to export, transfer, or transship to Iran or otherwise provided to Iran any goods, services, technology, or other items that would contribute materially to the ability of Iran to—

(A) acquire or develop chemical, biological, or nuclear weapons or related technologies; or

(B) acquire or develop destabilizing numbers and types of advanced conventional weapons.

(2) ADDITIONAL MANDATORY SANCTIONS RELATING TO TRANSFER OF NUCLEAR TECHNOLOGY.—

(A) IN GENERAL.—Except as provided in subparagraphs (B) and (C), in any case in which a person is subject to sanctions under

1 paragraph (1) because of an activity described
2 in that paragraph that relates to the acquisition
3 or development of nuclear weapons or related
4 technology or of missiles or advanced conven-
5 tional weapons that are designed or modified to
6 deliver a nuclear weapon, no license may be
7 issued for the export, and no approval may be
8 given for the transfer or retransfer, directly or
9 indirectly, to the country the government of
10 which has primary jurisdiction over the person,
11 of any nuclear material, facilities, components,
12 or other goods, services, or technology that are
13 or would be subject to an agreement for co-
14 operation between the United States and that
15 government.
16 (B) EXCEPTION.—The sanctions described
17 in subparagraph (A) shall not apply with re-
18 spect to a country the government of which has
19 primary jurisdiction over a person that engages
20 in an activity described in that subparagraph if
21 the President determines and notifies the ap-
22 propriate congressional committees that the
23 government of the country—
24 (i) does not know or have reason to
25 know about the activity; or

1 (ii) has taken, or is taking, all reason-
2 able steps necessary to prevent a recur-
3 rence of the activity and to penalize the
4 person for the activity.
5 (C) INDIVIDUAL APPROVAL.—Notwith-
6 standing subparagraph (A), the President may,
7 on a case-by-case basis, approve the issuance of
8 a license for the export, or approve the transfer
9 or retransfer, of any nuclear material, facilities,
10 components, or other goods, services, or tech-
11 nology that are or would be subject to an agree-
12 ment for cooperation, to a person in a country
13 to which subparagraph (A) applies (other than
14 a person that is subject to the sanctions under
15 paragraph (1)) if the President—
16 (i) determines that such approval is
17 vital to the national security interests of
18 the United States; and
19 (ii) not later than 15 days before
20 issuing such license or approving such
21 transfer or retransfer, submits to the Com-
22 mittee on Foreign Affairs of the House of
23 Representatives and the Committee on
24 Foreign Relations of the Senate the jus-

tification for approving such license, transfer, or retransfer.

(D) CONSTRUCTION.—The restrictions in subparagraph (A) shall apply in addition to all other applicable procedures, requirements, and restrictions contained in the Atomic Energy Act of 1954 and other related laws.

(E) DEFINITION.—In this paragraph, the term "agreement for cooperation" has the meaning given that term in section 11 b. of the Atomic Energy Act of 1954 (42 U.S.C. 2014(b)).

(F) APPLICABILITY.—The sanctions described in subparagraph (A) shall apply only in a case in which a person is subject to sanctions under paragraph (1) because of an activity described in such paragraph in which such person engages on or after the date of the enactment of this Act.

(c) PERSONS AGAINST WHICH THE SANCTIONS ARE TO BE IMPOSED.—The sanctions described in subsections (a) and (b)(1) shall be imposed on—

(1) any person the President determines has carried out the activities described in subsection (a) or (b), respectively; and

(2) any person that—

(A) is a successor entity to the person referred to in paragraph (1);

(B) owns or controls the person referred to in paragraph (1), if the person that owns or controls the person referred to in paragraph (1) had actual knowledge or should have known that the person referred to in paragraph (1) engaged in the activities referred to in that paragraph; or

(C) is owned or controlled by, or under common ownership or control with, the person referred to in paragraph (1), if the person owned or controlled by, or under common ownership or control with (as the case may be), the person referred to in paragraph (1) knowingly engaged in the activities referred to in that paragraph.

For purposes of this title, any person or entity described in this subsection shall be referred to as a "sanctioned person".

(d) PUBLICATION IN FEDERAL REGISTER.—The President shall cause to be published in the Federal Register a current list of persons and entities on whom sanctions have been imposed under this title. The removal of

1 persons or entities from, and the addition of persons and
2 entities to, the list, shall also be so published.
3 (e) PUBLICATION OF PROJECTS.—The President
4 shall cause to be published in the Federal Register a list
5 of all significant projects that have been publicly tendered
6 in the oil and gas sector in Iran.
7 (f) EXCEPTIONS.—The President shall not be re-
8 quired to apply or maintain the sanctions under subsection
9 (a) or (b)—
10 (1) in the case of procurement of defense arti-
11 cles or defense services—
12 (A) under existing contracts or sub-
13 contracts, including the exercise of options for
14 production quantities to satisfy requirements
15 essential to the national security of the United
16 States;
17 (B) if the President determines in writing
18 that the person to which the sanctions would
19 otherwise be applied is a sole source supplier of
20 the defense articles or services, that the defense
21 articles or services are essential, and that alter-
22 native sources are not readily or reasonably
23 available; or
24 (C) if the President determines in writing
25 that such articles or services are essential to the

national security under defense coproduction agreements;

(2) in the case of procurement, to eligible products, as defined in section 308(4) of the Trade Agreements Act of 1979 (19 U.S.C. 2518(4)), of any foreign country or instrumentality designated under section 301(b) of that Act (19 U.S.C. 2511(b));

(3) to products, technology, or services provided under contracts entered into before the date on which the President publishes in the Federal Register the name of the person on whom the sanctions are to be imposed;

(4) to—

(A) spare parts which are essential to United States products or production;

(B) component parts, but not finished products, essential to United States products or production; or

(C) routine servicing and maintenance of products, to the extent that alternative sources are not readily or reasonably available;

(5) to information and technology essential to United States products or production; or

1 (6) to medicines, medical supplies, or other hu-
2 manitarian items.

3 **SEC. 106. DESCRIPTION OF SANCTIONS.**

4 (a) IN GENERAL.—The sanctions to be imposed on
5 a sanctioned person under section 105 are as follows:

6 (1) EXPORT-IMPORT BANK ASSISTANCE FOR
7 EXPORTS TO SANCTIONED PERSONS.—The President
8 may direct the Export-Import Bank of the United
9 States to not give approval to for the issuance of
10 any guarantee, insurance, extension of credit, or
11 participation in the extension of credit in connection
12 with the export of any goods or services to any sanc-
13 tioned person.

14 (2) EXPORT SANCTION.—Except as provided in
15 subparagraph (B), the President may order the
16 United States Government not to issue any specific
17 license and not to grant any other specific permis-
18 sion or authority to export any goods or technology
19 to a sanctioned person under—

20 (A) the Export Administration Act of 1979
21 (as continued in effect pursuant to the Inter-
22 national Emergency Economic Powers Act);

23 (B) the Arms Export Control Act;

24 (C) the Atomic Energy Act of 1954; or

1 (D) any other law that requires the prior
2 review and approval of the United States Gov-
3 ernment as a condition for the export or re-ex-
4 port of goods or services.
5 (3) LOANS FROM UNITED STATES FINANCIAL
6 INSTITUTIONS.—The United States Government
7 may prohibit any United States financial institution
8 from making loans or providing credits to any sanc-
9 tioned person totaling more than $10,000,000 in
10 any 12-month period unless such person is engaged
11 in activities to relieve human suffering and the loans
12 or credits are provided for such activities.
13 (4) PROHIBITIONS ON FINANCIAL INSTITU-
14 TIONS.—The following prohibitions may be imposed
15 against a sanctioned person that is a financial insti-
16 tution:
17 (A) PROHIBITION ON DESIGNATION AS
18 PRIMARY DEALER.—Neither the Board of Gov-
19 ernors of the Federal Reserve System nor the
20 Federal Reserve Bank of New York may des-
21 ignate, or permit the continuation of any prior
22 designation of, such financial institution as a
23 primary dealer in United States Government
24 debt instruments.

1 (B) PROHIBITION ON SERVICE AS A RE-
2 POSITORY OF GOVERNMENT FUNDS.—Such fi-
3 nancial institution may not serve as agent of
4 the United States Government or serve as re-
5 pository for United States Government funds.
6 The imposition of either sanction under subpara-
7 graph (A) or (B) shall be treated as one sanction for
8 purposes of section 105, and the imposition of both
9 such sanctions shall be treated as two sanctions for
10 purposes of section 105.
11 (5) PROCUREMENT SANCTION.—The United
12 States Government may not procure, or enter into
13 any contract for the procurement of, any goods or
14 services from a sanctioned person.
15 (6) FOREIGN EXCHANGE.—The President may
16 prohibit any transactions in foreign exchange that
17 are subject to the jurisdiction of the United States
18 and in which the sanctioned person has any interest.
19 (7) BANKING TRANSACTIONS.—The President
20 may prohibit any transfers of credit or payments be-
21 tween financial institutions or by, through, or to any
22 financial institution, to the extent that such trans-
23 fers or payments are subject to the jurisdiction of
24 the United States and involve any interest of the
25 sanctioned person.

(8) PROPERTY TRANSACTIONS.—The President may prohibit any person from—

(A) acquiring, holding, withholding, using, transferring, withdrawing, transporting, importing, or exporting any property that is subject to the jurisdiction of the United States and with respect to which a sanctioned person has any interest;

(B) dealing in or exercising any right, power, or privilege with respect to such property; or

(C) conducting any transaction involving such property.

(9) GROUNDS FOR EXCLUSION.—The Secretary of State may deny a visa to, and the Secretary of Homeland Security may exclude from the United States, any alien whom the Secretary of State determines is an alien who, on or after the date of the enactment of this Act, is a—

(A) corporate officer, principal, or shareholder with a controlling interest of a person against whom sanctions have been imposed under subsection (a) or (b);

(B) corporate officer, principal, or shareholder with a controlling interest of a successor

1 entity to or a parent or subsidiary of such a
2 sanctioned person;
3 (C) corporate officer, principal, or share-
4 holder with a controlling interest of an affiliate
5 of such a sanctioned person, if such affiliate en-
6 gaged in a sanctionable activity described in
7 subsection (a) or (b) and if such affiliate is con-
8 trolled in fact by such sanctioned person; or
9 (D) spouse, minor child, or agent of a per-
10 son excludable under subparagraph (A), (B), or
11 (C).
12 (10) SANCTIONS ON PRINCIPAL EXECUTIVE OF-
13 FICERS.—The President may impose on the prin-
14 cipal executive officer or officers of any sanctioned
15 person, or on persons performing similar functions
16 and with similar authorities as such officer or offi-
17 cers, any of the sanctions under this subsection. The
18 President shall include on the list published under
19 section 105(d) the name of any person against
20 whom sanctions are imposed under this paragraph.
21 (11) ADDITIONAL SANCTIONS.—The President
22 shall impose sanctions, as appropriate, to restrict
23 imports with respect to a sanctioned person, in ac-
24 cordance with the International Emergency Eco-
25 nomic Powers Act (50 U.S.C. 1701 et seq.).

1 (b) ADDITIONAL MEASURE RELATING TO GOVERN-
2 MENT CONTRACTS.—
3 (1) MODIFICATION OF FEDERAL ACQUISITION
4 REGULATION.—The Federal Acquisition Regulation
5 issued pursuant to section 25 of the Office of Fed-
6 eral Procurement Policy Act (41 U.S.C. 421) shall
7 require a certification from each person that is a
8 prospective contractor that such person does not en-
9 gage in any activity for which sanctions may be im-
10 posed under section 105.
11 (2) REMEDIES.—
12 (A) IN GENERAL.—If the head of an exec-
13 utive agency determines that a person has sub-
14 mitted a false certification under paragraph (1)
15 after the date on which the Federal Acquisition
16 Regulation is revised to implement the require-
17 ments of this subsection, the head of that exec-
18 utive agency shall terminate a contract with
19 such person or debar or suspend such person
20 from eligibility for Federal contracts for a pe-
21 riod of not more than three years. Any such de-
22 barment or suspension shall be subject to the
23 procedures that apply to debarment and sus-
24 pension under the Federal Acquisition Regula-

1 tion under subpart 9.4 of part 9 of title 48,
2 Code of Federal Regulations.
3 (B) INCLUSION ON LIST OF PARTIES EX-
4 CLUDED FROM FEDERAL PROCUREMENT AND
5 NONPROCUREMENT PROGRAMS.—The Adminis-
6 trator of General Services shall include on the
7 List of Parties Excluded from Federal Procure-
8 ment and Nonprocurement Programs main-
9 tained by the Administrator under part 9 of the
10 Federal Acquisition Regulation issued pursuant
11 to section 25 of the Office of Federal Procure-
12 ment Policy Act (41 U.S.C. 421) each person
13 that is debarred, suspended, or proposed for de-
14 barment or suspension by the head of an execu-
15 tive agency on the basis of a determination of
16 a false certification under subparagraph (A).
17 (3) CLARIFICATION REGARDING CERTAIN PROD-
18 UCTS.—The remedies specified in paragraph (2)
19 shall not apply with respect to the procurement of
20 eligible products, as defined in section 308(4) of the
21 Trade Agreements Act of 1974 (19 U.S.C. 2518(4)),
22 of any foreign country or instrumentality designated
23 under section 301(b) of such Act (19 U.S.C.
24 2511(b)).

1 (4) RULE OF CONSTRUCTION.—This subsection
2 shall not be construed to limit the use of other rem-
3 edies available to the head of an executive agency or
4 any other official of the Federal Government on the
5 basis of a determination of a false certification
6 under paragraph (1).
7 (5) WAIVER.—The President may, on a case-
8 by-case basis, waive the requirement that a person
9 make a certification under paragraph (1) if the
10 President determines and certifies in writing to the
11 appropriate congressional committees that it is in
12 the national interest of the United States to do so.
13 (6) EXECUTIVE AGENCY DEFINED.—In this
14 subsection, the term "executive agency" has the
15 meaning given such term in section 104 of the Office
16 of Federal Procurement Policy Act (41 U.S.C. 403).
17 (7) APPLICABILITY.—The revisions to the Fed-
18 eral Acquisition Regulation required under para-
19 graph (1) shall apply with respect to contracts for
20 which solicitations are issued on or after the date
21 that is 90 days after the date of the enactment of
22 this Act.
23 **SEC. 107. ADVISORY OPINIONS.**
24 The Secretary of State may, upon the request of any
25 person, issue an advisory opinion to such person as to

1 whether a proposed activity by such person would subject
2 such person to sanctions under this title. Any person who
3 relies in good faith on such an advisory opinion which
4 states that such proposed activity would not subject such
5 person to such sanctions, and any such person who there-
6 after engages in such activity, shall not be made subject
7 to such sanctions on account of such activity.

8 **SEC. 108. TERMINATION OF SANCTIONS.**

9 (a) CERTIFICATION.—The requirement under section
10 105 to impose sanctions shall no longer have force or ef-
11 fect with respect to Iran if the President determines and
12 certifies to the appropriate congressional committees that
13 Iran—

14 (1) has ceased and verifiably dismantled its ef-
15 forts to design, develop, manufacture, or acquire—

16 (A) a nuclear explosive device or related
17 materials and technology;

18 (B) chemical and biological weapons; and

19 (C) ballistic missiles and ballistic missile
20 launch technology;

21 (2) no longer provides support for acts of inter-
22 national terrorism; and

23 (3) poses no threat to the national security, in-
24 terests, or allies of the United States.

1 (b) NOTIFICATION.—The President shall notify the
2 appropriate congressional committees not later than 15
3 days before making the certification described in sub-
4 section (a).

5 **SEC. 109. DURATION OF SANCTIONS.**

6 (a) DELAY OF SANCTIONS.—

7 (1) CONSULTATIONS.—If the President makes a
8 determination described in section 105 with respect
9 to a foreign person, Congress urges the President to
10 initiate consultations immediately with the govern-
11 ment with primary jurisdiction over such foreign
12 person with respect to the imposition of sanctions
13 under such section.

14 (2) ACTIONS BY GOVERNMENT OF JURISDIC-
15 TION.—In order to pursue consultations under para-
16 graph (1) with the government concerned, the Presi-
17 dent may delay for up to 90 days the imposition of
18 sanctions under section 105. Following such con-
19 sultations, the President shall immediately impose
20 on the foreign person referred to in paragraph (1)
21 such sanctions unless the President determines and
22 certifies to Congress that the government has taken
23 specific and effective actions, including, as appro-
24 priate, the imposition of appropriate penalties to ter-
25 minate the involvement of the foreign person in the

activities that resulted in the determination by the President under section 105 concerning such foreign person and the foreign person is no longer engaged in such activities.

(b) DURATION OF SANCTIONS.—A sanction imposed under section 105 shall remain in effect—

(1) for a period of not less than two years beginning on the date on which such sanction is imposed; or

(2) until such time as the President determines and certifies to Congress that the person whose activities were the basis for imposing such sanction is no longer engaging in such activities and that the President has received reliable assurances that such person will not knowingly engage in such activities in the future, except that such sanction shall remain in effect for a period of at least one year.

(c) WAIVER.—

(1) AUTHORIZATION.—

(A) IN GENERAL.—The President may waive the requirements in section 105(a) or 105(b)(2) to impose a sanction or sanctions, and may waive, on a case-by-case basis, the continued imposition of a sanction or sanctions under subsection (b) of this section, if the

President determines and so reports to the appropriate congressional committees 15 days prior to the exercise of waiver authority that failure to exercise such waiver authority would pose an unusual and extraordinary threat to the vital national security interests of the United States.

(B) CONTENTS OF REPORT.—Any report under subparagraph (A) shall provide a specific and detailed rationale for a determination made pursuant to such paragraph, including—

(i) a description of the conduct that resulted in the determination under section 105(a);

(ii) in the case of a foreign person, an explanation of the efforts to secure the cooperation of the government with primary jurisdiction over such person to terminate or, as appropriate, penalize the activities that resulted in the determination under section 105(a);

(iii) an estimate of the significance of the conduct of the person concerned in contributing to the ability of Iran to develop petroleum resources, produce refined

1 petroleum products, or import refined pe-
2 troleum products; and
3 (iv) a statement as to the response of
4 the United States in the event that the
5 person concerned engages in other activi-
6 ties that would be subject to a sanction or
7 sanctions under section 105(a).
8 (2) WAIVER WITH RESPECT TO PERSONS IN
9 COUNTRIES THAT COOPERATE IN MULTILATERAL
10 EFFORTS WITH RESPECT TO IRAN.—
11 (A) IN GENERAL.—The President may, on
12 a case by case basis, waive for a period of not
13 more than 12 months the application of section
14 105(a) with respect to a person if the Presi-
15 dent, at least 30 days before the waiver is to
16 take effect—
17 (i) certifies to the appropriate con-
18 gressional committees that—
19 (I) the government with primary
20 jurisdiction over the person is closely
21 cooperating with the United States in
22 multilateral efforts to prevent Iran
23 from—
24 (aa) acquiring or developing
25 chemical, biological, or nuclear

1 weapons or related technologies;
2 or
3 (bb) acquiring or developing
4 destabilizing numbers and types
5 of advanced conventional weap-
6 ons; and
7 (II) such a waiver is vital to the
8 national security interests of the
9 United States; and
10 (ii) submits to the appropriate con-
11 gressional committees a report identi-
12 fying—
13 (I) the person with respect to
14 which the President waives the appli-
15 cation of sanctions; and
16 (II) the actions taken by the gov-
17 ernment described in clause (i)(I) to
18 cooperate in multilateral efforts de-
19 scribed in that clause.
20 (B) SUBSEQUENT RENEWAL OF WAIVER.—
21 At the conclusion of the period of a waiver
22 under subparagraph (A), the President may
23 renew the waiver—

1 (i) if the President determines, in ac-
2 cordance with subparagraph (A) that the
3 waiver is appropriate; and
4 (ii) for subsequent periods of not
5 more than 12 months each.

6 **SEC. 110. REPORTS REQUIRED.**

7 (a) REPORT ON CERTAIN INTERNATIONAL INITIA-
8 TIVES.—Not later than 180 days after the date of the en-
9 actment of this Act and every 180 days thereafter, the
10 President shall transmit to the appropriate congressional
11 committees a report describing—
12 (1) the efforts of the President to mount a mul-
13 tilateral campaign to persuade all countries to pres-
14 sure Iran to cease its nuclear, chemical, biological,
15 and missile weapons programs and its support of
16 acts of international terrorism;
17 (2) the efforts of the President to persuade
18 other governments to ask Iran to reduce in the
19 countries of such governments the presence of Ira-
20 nian diplomats and representatives of other govern-
21 ment and military or quasi-governmental institutions
22 of Iran, and to withdraw any such diplomats or rep-
23 resentatives who participated in the takeover of the
24 United States Embassy in Tehran, Iran, on Novem-

1 ber 4, 1979, or the subsequent holding of United
2 States hostages for 444 days;
3 (3) the extent to which the International Atom-
4 ic Energy Agency has established regular inspections
5 of all nuclear facilities in Iran, including those facili-
6 ties presently under construction; and
7 (4) Iran's use of Iranian diplomats and rep-
8 resentatives of other government and military or
9 quasi-governmental institutions of Iran to promote
10 acts of international terrorism or to develop or sus-
11 tain Iran's nuclear, chemical, biological, or missile
12 weapons programs.
13 (b) REPORT ON EFFECTIVENESS OF ACTIONS
14 UNDER THIS ACT.—Not later than 180 days after the
15 date of the enactment of this Act and annually thereafter,
16 the President shall transmit to Congress a report that de-
17 scribes—
18 (1) the extent to which actions relating to trade
19 taken pursuant to this title have—
20 (A) been effective in achieving the policy
21 objective described in section 103 and any other
22 foreign policy or national security objectives of
23 the United States with respect to Iran; and

1 (B) affected humanitarian interests in
2 Iran, the country in which a sanctioned person
3 is located, or in other countries; and
4 (2) the impact of actions relating to trade taken
5 pursuant to this title on other national security, eco-
6 nomic, and foreign policy interests of the United
7 States, including relations with countries friendly to
8 the United States, and on the United States econ-
9 omy.
10 The President may include in such reports the President's
11 recommendation on whether or not this Act should be ter-
12 minated or modified.
13 (c) OTHER REPORTS.—The President shall ensure
14 the continued transmittal to Congress of reports describ-
15 ing—
16 (1) the nuclear and other military capabilities
17 of Iran, as required under section 601(a) of the Nu-
18 clear Non-Proliferation Act of 1978 and section
19 1607 of the National Defense Authorization Act for
20 Fiscal Year 1993; and
21 (2) the support provided by Iran for acts of
22 international terrorism, as part of the Department
23 of State's annual reports on international terrorism.
24 (d) REPORTS ON GLOBAL TRADE RELATING TO
25 IRAN.—Not later than 180 days after the date of the en-

1 actment of the this Act and annually thereafter, the Presi-
2 dent shall transmit to the appropriate congressional com-
3 mittees a report, with respect to the most recent 12-month
4 period for which data are available, on the dollar value
5 amount of trade, including in the energy sector, between
6 Iran and each country maintaining membership in the
7 Group of 20 Finance Ministers and Central Bank Gov-
8 ernors.

9 **SEC. 111. DETERMINATIONS NOT REVIEWABLE.**

10 A determination to impose sanctions under this title
11 shall not be reviewable in any court.

12 **SEC. 112. EXCLUSION OF CERTAIN ACTIVITIES.**

13 Nothing in this title shall apply to any activities sub-
14 ject to the reporting requirements of title V of the Na-
15 tional Security Act of 1947.

16 **SEC. 113. DEFINITIONS.**

17 In this title:

18 (1) ACT OF INTERNATIONAL TERRORISM.—The
19 term "act of international terrorism" has the mean-
20 ing given such term in section 2331 of title 18,
21 United States Code.

22 (2) APPROPRIATE CONGRESSIONAL COMMIT-
23 TEES.—The term "appropriate congressional com-
24 mittees" means—

(A) the Committee on Finance, the Committee on Banking, Housing, and Urban Affairs, and the Committee on Foreign Relations of the Senate; and

(B) the Committee on Ways and Means, the Committee on Banking and Financial Services, the Committee on Financial Services, and the Committee on Foreign Affairs of the House of Representatives.

(3) COMPONENT PART.—The term "component part" has the meaning given such term in section 11A(e)(1) of the Export Administration Act of 1979 (50 U.S.C. App. 2410a(e)(1)).

(4) CREDIBLE INFORMATION.—The term "credible information" means, with respect to a person, such person's public announcement of an investment described in section 105, Iranian governmental announcements of such an investment, reports to stockholders, annual reports, industry reports, Government Accountability Office products, and trade publications.

(5) DEVELOP AND DEVELOPMENT.—The terms "develop" and "development" mean the exploration for, or the extraction, refining, or transportation by pipeline of, petroleum resources.

1 (6) FINANCIAL INSTITUTION.—The term "fi-
2 nancial institution" includes—
3 (A) a depository institution (as defined in
4 section 3(c)(1) of the Federal Deposit Insur-
5 ance Act), including a branch or agency of a
6 foreign bank (as defined in section 1(b)(7) of
7 the International Banking Act of 1978);
8 (B) a credit union;
9 (C) a securities firm, including a broker or
10 dealer;
11 (D) an insurance company, including an
12 agency or underwriter; and
13 (E) any other company that provides fi-
14 nancial services including joint ventures with
15 Iranian entities both inside and outside of Iran
16 and partnerships or investments with Iranian
17 government-controlled entities or affiliated enti-
18 ties.
19 (7) FINISHED PRODUCT.—The term "finished
20 product" has the meaning given such term in section
21 11A(e)(2) of the Export Administration Act of 1979
22 (50 U.S.C. App. 2410a(e)(2)).
23 (8) FOREIGN PERSON.—The term "foreign per-
24 son" means—

1 (A) an individual who is not a United
2 States person or an alien lawfully admitted for
3 permanent residence into the United States; or
4 (B) a corporation, partnership, joint ven-
5 ture, cooperative venture, or other nongovern-
6 mental entity which is not a United States per-
7 son.
8 (9) FOREIGN TERRORIST ORGANIZATION.—The
9 term "foreign terrorist organization" means an or-
10 ganization designated by the Secretary of State as a
11 foreign terrorist organization in accordance with sec-
12 tion 219(a) of the Immigration and Nationality Act
13 (8 U.S.C. 1189(a)).
14 (10) GOODS AND TECHNOLOGY.—The terms
15 "goods" and "technology" have the meanings given
16 such terms in section 16 of the Export Administra-
17 tion Act of 1979 (50 U.S.C. App. 2415).
18 (11) INVESTMENT.—The term "investment"
19 means any of the following activities if any of such
20 activities is undertaken pursuant to an agreement,
21 or pursuant to the exercise of rights under such an
22 agreement, that is entered into with the Government
23 of Iran or a nongovernmental entity in Iran, on or
24 after the date of the enactment of this Act:

1 (A) The entry into a contract that includes
2 responsibility for the development of petroleum
3 resources located in Iran, or the entry into a
4 contract providing for the general supervision
5 and guarantee of another person's performance
6 of such a contract.
7 (B) The purchase of a share of ownership,
8 including an equity interest, in the development
9 described in subparagraph (A).
10 (C) The entry into a contract providing for
11 the participation in royalties, earnings, or prof-
12 its in the development described in subpara-
13 graph (A), without regard to the form of such
14 participation.
15 (D) The provision of goods, services, or
16 technology related to petroleum resources.
17 (12) IRAN.—The term "Iran" includes any
18 agency or instrumentality of Iran.
19 (13) IRANIAN DIPLOMATS AND REPRESENTA-
20 TIVES OF OTHER GOVERNMENT AND MILITARY OR
21 QUASI-GOVERNMENTAL INSTITUTIONS OF IRAN.—
22 The term "Iranian diplomats and representatives of
23 other government and military or quasi-govern-
24 mental institutions of Iran" includes employees, rep-
25 resentatives, or affiliates of Iran's—

1 (A) Foreign Ministry;
2 (B) Ministry of Intelligence and Security;
3 (C) Revolutionary Guard Corps and affili-
4 ated entities;
5 (D) Crusade for Reconstruction;
6 (E) Qods (Jerusalem) Forces;
7 (F) Interior Ministry;
8 (G) Foundation for the Oppressed and
9 Disabled;
10 (H) Prophet's Foundation;
11 (I) June 5th Foundation;
12 (J) Martyr's Foundation;
13 (K) Islamic Propagation Organization; and
14 (L) Ministry of Islamic Guidance.
15 (14) KNOWINGLY.—The term "knowingly",
16 with respect to conduct, a circumstance, or a result
17 means that a person has actual knowledge, or should
18 have known, of the conduct, the circumstance, or the
19 result of such conduct, circumstance, or result.
20 (15) NUCLEAR EXPLOSIVE DEVICE.—The term
21 "nuclear explosive device" means any device, wheth-
22 er assembled or disassembled, that is designed to
23 produce an instantaneous release of an amount of
24 nuclear energy from special nuclear material (as de-
25 fined in section 11 aa. of the Atomic Energy Act of

1954 (42 U.S.C. 2014 aa.)) that is greater than the amount of energy that would be released from the detonation of one pound of trinitrotoluene (TNT).

(16) PERSON.—

(A) IN GENERAL.—The term "person" means—

(i) a natural person;

(ii) a corporation, business association, partnership, society, trust, financial institution, insurer, underwriter, guarantor, or any other business organization, any other nongovernmental entity, organization, or group, and any governmental entity operating as a business enterprise; and

(iii) any successor to any entity described in clause (ii).

(B) EXCLUSION.—The term "person" does not include a government or governmental entity that is not operating as a business enterprise.

(17) PETROLEUM RESOURCES.—The term "petroleum resources" includes petroleum and natural gas resources, refined petroleum products, oil or liquefied natural gas, oil or liquefied natural gas tankers, and products used to construct or maintain

1 pipelines used to transport oil or liquefied natural
2 gas.
3 (18) REFINED PETROLEUM PRODUCTS.—The
4 term "refined petroleum products" means diesel,
5 gasoline, jet fuel (including naphtha-type and ker-
6 osene-type jet fuel), and aviation gasoline.
7 (19) UNITED STATES OR STATE.—The terms
8 "United States" and "State" mean the several
9 States, the District of Columbia, the Commonwealth
10 of Puerto Rico, the Commonwealth of the Northern
11 Mariana Islands, American Samoa, Guam, the
12 United States Virgin Islands, and any other terri-
13 tory or possession of the United States.
14 (20) UNITED STATES PERSON.—The term
15 "United States person" means—
16 (A) a natural person who is a citizen of the
17 United States or who owes permanent alle-
18 giance to the United States; and
19 (B) a corporation or other legal entity that
20 is organized under the laws of the United
21 States or any State if a natural person de-
22 scribed in subparagraph (A) owns, directly or
23 indirectly, more than 50 percent of the out-
24 standing capital stock or other beneficial inter-
25 est in such corporation or legal entity.

SEC. 114. EFFECTIVE DATE.

This title shall take effect on the date of the enactment of this Act and shall apply with respect to an investment or activity described in subsection (a) or (b) of section 105 that is commenced on or after such date of enactment.

SEC. 115. REPEAL.

(a) IN GENERAL.—The Iran Sanctions Act of 1996 (50 U.S.C. 1701 note) is repealed.

(b) FEDERAL ACQUISITION REGULATION.—Notwithstanding the repeal made by subsection (a), the modification to the Federal Acquisition Regulation made pursuant to section 6(b)(1) of the Iran Sanctions Act of 1996 shall continue in effect until the modification to such Regulation that is made pursuant to section 106(b)(1) of this Act takes effect.

TITLE II—IRAN FREEDOM SUPPORT

SEC. 201. CODIFICATION OF SANCTIONS.

United States sanctions with respect to Iran imposed pursuant to sections 1 and 3 of Executive Order 12957, sections 1(e), (1)(g), and (3) of Executive Order 12959, sections 2, 3, and 5 of Executive Order 13059 (relating to exports and certain other transactions with Iran), and sections 1, 5, 6, 7, and 8 of Executive Order 13553, as in effect on January 1, 2011, shall remain in effect until

1 the President certifies to the appropriate congressional
2 committees, at least 90 days before the removal of such
3 sanctions, that the Government of Iran has verifiably dis-
4 mantled its nuclear weapons program, its biological and
5 chemical weapons programs, its ballistic missile develop-
6 ment programs, and ceased its support for international
7 terrorism.

8 **SEC. 202. DECLARATION OF CONGRESS REGARDING**
9 **UNITED STATES POLICY TOWARD IRAN.**

10 It shall be the policy of the United States to support
11 those individuals in Iran seeking a free, democratic gov-
12 ernment that respects the rule of law and protects the
13 rights of all citizens.

14 **SEC. 203. ASSISTANCE TO SUPPORT DEMOCRACY IN IRAN.**

15 (a) STATEMENT OF POLICY.—The President is au-
16 thorized to provide financial and political assistance (in-
17 cluding the award of grants) to foreign and domestic indi-
18 viduals, organizations, and entities that support democ-
19 racy and the promotion of democracy in Iran. Such assist-
20 ance may include the award of grants to eligible inde-
21 pendent pro-democracy broadcasting organizations and
22 new media that broadcast into Iran.

23 (b) ELIGIBILITY FOR ASSISTANCE.—Financial and
24 political assistance authorized under this section shall be

1 provided only to an individual, organization, or entity
2 that—
3 (1) officially opposes the use of violence and
4 terrorism and has not been designated as a foreign
5 terrorist organization under section 219(a) of the
6 Immigration and Nationality Act (8 U.S.C. 1189(a))
7 at any time during the preceding four years;
8 (2) advocates the adherence by Iran to non-
9 proliferation regimes for nuclear, chemical, and bio-
10 logical weapons and materiel;
11 (3) is dedicated to democratic values and sup-
12 ports the adoption of a democratic form of govern-
13 ment in Iran;
14 (4) is dedicated to respect for human rights, in-
15 cluding the fundamental equality of women;
16 (5) works to establish equality of opportunity
17 for all people; and
18 (6) supports freedom of the press, freedom of
19 speech, freedom of association, and freedom of reli-
20 gion.
21 (c) FUNDING.—Financial and political assistance au-
22 thorized under this section may only be provided using—
23 (1) funds available to the Middle East Partner-
24 ship Initiative (MEPI), the Broader Middle East
25 and North Africa Initiative, the Human Rights and

1 Democracy Fund, and the Near East Regional De-
2 mocracy Fund; and
3 (2) amounts made available pursuant to the au-
4 thorization of appropriations under subsection (f).
5 (d) NOTIFICATION.—Not later than 15 days before
6 each obligation of assistance under this section, and in ac-
7 cordance with the procedures under section 634A of the
8 Foreign Assistance Act of 1961 (22 U.S.C. 2394–1), the
9 President shall notify the Committee on Foreign Affairs
10 and the Committee on Appropriations of the House of
11 Representatives and the Committee on Foreign Relations
12 and the Committee on Appropriations of the Senate of
13 such obligation of assistance. Such notification shall in-
14 clude, as practicable, a description of the types of pro-
15 grams supported by such assistance and an identification
16 of the recipients of such assistance.
17 (e) SENSE OF CONGRESS REGARDING DIPLOMATIC
18 ASSISTANCE.—It is the sense of Congress that—
19 (1) contacts should be expanded with opposition
20 groups in Iran that meet the criteria for eligibility
21 for assistance under subsection (b);
22 (2) support for those individuals seeking democ-
23 racy in Iran should be expressed by United States
24 representatives and officials in all appropriate inter-
25 national fora; and

(3) officials and representatives of the United States should—

(A) strongly and unequivocally support indigenous efforts in Iran calling for free, transparent, and democratic elections; and

(B) draw international attention to violations by the Government of Iran of human rights, freedom of religion, freedom of assembly, and freedom of the press.

SEC. 204. IMPOSITION OF SANCTIONS ON CERTAIN PERSONS WHO ARE RESPONSIBLE FOR OR COMPLICIT IN HUMAN RIGHTS ABUSES COMMITTED AGAINST CITIZENS OF IRAN OR THEIR FAMILY MEMBERS AFTER THE JUNE 12, 2009, ELECTIONS IN IRAN.

(a) LIST OF PERSONS WHO ARE RESPONSIBLE FOR OR COMPLICIT IN CERTAIN HUMAN RIGHTS ABUSES; SANCTIONS ON SUCH PERSONS.—

(1) IN GENERAL.—Not later than 90 days after the date of the enactment of this Act, the President shall transmit to the appropriate congressional committees a list of all persons who are officials of the Government of Iran, including the Supreme Leader, the President, Members of the Cabinet, Members of the Assembly of Experts, Members of the Ministry

of Intelligence Services, or any Member of the Iranian Revolutionary Guard Corps with the rank of brigadier general and above, including members of paramilitary organizations such as Ansar-e-Hezbollah and Basij-e Mostaz'afin.

(2) CERTIFICATION.—The President shall impose on the persons specified in the list under paragraph (1) the sanctions described in subsection (b). The President shall exempt any such person from such imposition if the President determines and certifies to the appropriate congressional committees that such person, based on credible evidence, is not responsible for or complicit in, or responsible for ordering, controlling, or otherwise directing, the commission of serious human rights abuses against citizens of Iran or their family members on or after June 12, 2009, regardless of whether such abuses occurred in Iran.

(3) UPDATES OF LIST.—The President shall transmit to the appropriate congressional committees an updated list under paragraph (1)—

(A) not later than every 60 days beginning after the date of the initial transmittal under such paragraph; and

(B) as new information becomes available.

1 (4) FORM OF REPORT; PUBLIC AVAILABILITY.—
2 (A) FORM.—The list required under para-
3 graph (1) shall be submitted in unclassified
4 form but may contain a classified annex.
5 (B) PUBLIC AVAILABILITY.—The unclassi-
6 fied portion of the list required under para-
7 graph (1) shall be made available to the public
8 and posted on the Web sites of the Department
9 of the Treasury and the Department of State.
10 (5) CONSIDERATION OF DATA FROM OTHER
11 COUNTRIES AND NONGOVERNMENTAL ORGANIZA-
12 TIONS.—In preparing the list required under para-
13 graph (1), the President shall consider credible data
14 already obtained by other countries and nongovern-
15 mental organizations, including organizations in
16 Iran, that monitor the human rights abuses of the
17 Government of Iran.
18 (b) SANCTIONS DESCRIBED.—The sanctions de-
19 scribed in this subsection are ineligibility for a visa to
20 enter the United States and sanctions pursuant to the
21 International Emergency Economic Powers Act (50
22 U.S.C. 1701 et seq.), including blocking of property and
23 restrictions or prohibitions on financial transactions and
24 the exportation and importation of property, subject to
25 such regulations as the President may prescribe, including

1 regulatory exceptions to permit the United States to com-
2 ply with the Agreement between the United Nations and
3 the United States of America regarding the Headquarters
4 of the United Nations, signed June 26, 1947, and entered
5 into force November 21, 1947, and other applicable inter-
6 national obligations.

7 (c) TERMINATION OF SANCTIONS.—The provisions of
8 this section shall terminate on the date on which the Presi-
9 dent determines and certifies to the appropriate congres-
10 sional committees that the Government of Iran has—

11 (1) unconditionally released all political pris-
12 oners, including the citizens of Iran detained in the
13 aftermath of the June 12, 2009, presidential election
14 in Iran;

15 (2) ceased its practices of violence, unlawful de-
16 tention, torture, and abuse of citizens of Iran while
17 engaging in peaceful political activity;

18 (3) conducted a transparent investigation into
19 the killings, arrests, and abuse of peaceful political
20 activists that occurred in the aftermath of the June
21 12, 2009, presidential election in Iran and pros-
22 ecuted the individuals responsible for such killings,
23 arrests, and abuse; and

24 (4) has—

(A) established an independent judiciary; and

(B) is respecting the human rights and basic freedoms recognized in the Universal Declaration of Human Rights.

SEC. 205. COMPREHENSIVE STRATEGY TO PROMOTE INTERNET FREEDOM AND ACCESS TO INFORMATION IN IRAN.

(a) IN GENERAL.—Not later than 90 days after the date of the enactment of this Act and annually thereafter, the Secretary of State shall submit to the Committees on Foreign Affairs and Appropriations of the House of Representatives and the Committees on Foreign Relations and Appropriations of the Senate a comprehensive strategy to—

(1) help the people of Iran produce, access, and share information freely and safely via the Internet, including in Farsi and regional languages;

(2) support the development of counter-censorship technologies that enable the citizens of Iran to undertake Internet activities without interference from the Government of Iran;

(3) increase the capabilities and availability of secure mobile communications among human rights and democracy activists in Iran;

1 (4) provide resources for digital safety training
2 for media, unions, and academic and civil society or-
3 ganizations in Iran;
4 (5) increase the amount of accurate Internet
5 content in local languages in Iran;
6 (6) increase emergency resources for the most
7 vulnerable human rights advocates seeking to orga-
8 nize, share information, and support human rights
9 in Iran;
10 (7) expand surrogate radio, television, live
11 stream, and social network communications inside
12 Iran;
13 (8) expand activities to safely assist and train
14 human rights, civil society, and union activists in
15 Iran to operate effectively and securely;
16 (9) defeat all attempts by the Government of
17 Iran to jam or otherwise deny international satellite
18 broadcasting signals; and
19 (10) expand worldwide United States embassy
20 and consulate programming for and outreach to Ira-
21 nian dissident communities.
22 (b) FORM.—The comprehensive strategies required
23 under subsection (a) shall be in unclassified form and may
24 include a classified annex.

TITLE III—IRAN REGIME AND IRAN REVOLUTIONARY GUARD CORPS ACCOUNTABILITY

SEC. 301. EXPORTATION OF PETROLEUM, OIL, AND NATURAL GAS PRODUCED BY IRAN'S ISLAMIC REVOLUTIONARY GUARD CORPS OR ITS AFFILIATES.

(a) IN GENERAL.—Except as provided in subsection (c), the President shall impose the sanctions described in section 106(a) with respect to a person if the President determines that such person knowingly, on or after the date of the enactment of the Iran Threat Reduction Act of 2011, provides any service described in subsection (b) with respect to the exportation of petroleum, oil, or liquefied natural gas to be refined or otherwise processed outside of Iran if—

(1) Iran's Islamic Revolutionary Guard Corps or any of its affiliates was directly and significantly involved in the development, extraction, production, transportation, or sale of such petroleum, oil, or liquefied natural gas in Iran; and

(2)(A) the fair market value of such petroleum, oil, or liquefied natural gas is $1,000,000 or more; or

1 (B) during a 12-month period, the aggregate
2 fair market value of such petroleum, oil, or liquefied
3 natural gas is $5,000,000 or more.
4 (b) SERVICES DESCRIBED.—The services referred to
5 in subsection (a) are—
6 (1) refining or otherwise processing petroleum,
7 oil, or liquefied natural gas;
8 (2) the provision of ships or shipping services;
9 or
10 (3) financing, brokering, underwriting, or pro-
11 viding insurance or reinsurance.
12 (c) EXCEPTION FOR UNDERWRITERS AND INSUR-
13 ANCE PROVIDERS EXERCISING DUE DILIGENCE.—The
14 President may not impose sanctions under this paragraph
15 with respect to a person that provides underwriting serv-
16 ices or insurance or reinsurance if the President deter-
17 mines that such person has exercised due diligence in es-
18 tablishing and enforcing official policies, procedures, and
19 controls to ensure that such person does not underwrite
20 or enter into a contract to provide insurance or reinsur-
21 ance with respect to the exportation of petroleum, oil, or
22 liquefied natural gas in violation of subsection (a).
23 **SEC. 302. IRANIAN ACTIVITIES IN IRAQ AND AFGHANISTAN.**
24 (a) FREEZING OF ASSETS.—In accordance with sub-
25 section (b), all property and interests in property of the

1 foreign persons described in Executive Orders 13382 and
2 13224, or their affiliates, that are in the United States,
3 that on or after the date of the enactment of this Act come
4 within the United States, or that on or after the date of
5 the enactment of this Act come within the possession or
6 control of United States persons, are blocked and may not
7 be transferred, paid, exported, withdrawn, or otherwise
8 dealt in with respect to any such person determined by
9 the Secretary of State, in consultation with the Secretary
10 of the Treasury and the Secretary of Defense to—
11 (1) have committed, or to pose a significant
12 risk of committing, an act or acts of violence that
13 have the purpose or effect of—
14 (A) threatening the peace or stability of
15 Iraq or the Government of Iraq;
16 (B) undermining efforts to promote eco-
17 nomic reconstruction and political reform in
18 Iraq or to provide humanitarian assistance to
19 the Iraqi people;
20 (C) threatening the peace or stability of
21 Afghanistan or the Government of Afghanistan;
22 or
23 (D) undermining efforts to promote eco-
24 nomic reconstruction and political reform in Af-

1 ghanistan or to provide humanitarian assistance
2 to the Afghan people;
3 (2) have materially assisted, sponsored, or pro-
4 vided financial, material, logistical, or technical sup-
5 port for, or goods or services in support of, such an
6 act or acts of violence or any person or entity whose
7 property and interests in property are blocked pur-
8 suant this subsection; or
9 (3) be owned or controlled by, or to have acted
10 or purported to act for or on behalf of, directly or
11 indirectly, any person whose property and interests
12 in property are blocked pursuant to this subsection.
13 (b) DESCRIPTION OF PROHIBITIONS.—The prohibi-
14 tions described in subsection (a) include—
15 (1) the making of any contribution or provision
16 of funds, goods, or services by, to, or for the benefit
17 of any person whose property and interests in prop-
18 erty are blocked; and
19 (2) the receipt of any contribution or provision
20 of funds, goods, or services from any such person.
21 (c) STATEMENT OF POLICY.—An increase in both the
22 quantity and quality of Iranian arms shipments and tech-
23 nological expertise to the Iraqi insurgents, the Taliban,
24 other terrorist organizations, and criminal elements has
25 the potential to significantly change the battlefield in both

1 Iraq and Afghanistan, and lead to a large increase in
2 United States, International Security Assistance Force,
3 Coalition, and Iraqi and Afghan casualties.

4 **SEC. 303. UNITED STATES POLICY TOWARD IRAN.**

5 (a) NATIONAL STRATEGY REQUIRED.—The Presi-
6 dent shall develop a strategy, to be known as the "Na-
7 tional Strategy to Counter Iran" that provides strategic
8 guidance for activities that support the objective of ad-
9 dressing, countering, and containing the threats posed by
10 Iran.

11 (b) ANNUAL REPORT.—

12 (1) IN GENERAL.—Not later than January 30
13 of each year, the President shall transmit to the ap-
14 propriate congressional committees in Congress a re-
15 port on the current and future strategy of the
16 United States toward Iran, and the implementation
17 of the National Strategy to Counter Iran required
18 under subsection (a).

19 (2) FORM.—If the President considers it appro-
20 priate, the report required under this subsection, or
21 appropriate parts thereof, may be transmitted in
22 classified form.

23 (c) MATTERS TO BE INCLUDED.—The report re-
24 quired under subsection (b) shall include a description of

1 the security posture and objectives of Iran, including at
2 least the following:
3 (1) A description and assessment of Iranian
4 grand strategy and security strategy, including—
5 (A) the goals of Iran's grand strategy and
6 security strategy, and strategic objectives; and
7 (B) Iranian strategy to achieve such objec-
8 tives in the Middle East, Europe, Africa, West-
9 ern Hemisphere, and Asia.
10 (2) An assessment of the capabilities of Iran's
11 conventional forces and Iran's unconventional forces,
12 including—
13 (A) the size and capabilities of Iran's con-
14 ventional forces and Iran's unconventional
15 forces;
16 (B) an analysis of the formal and informal
17 national command authority for Iran's conven-
18 tional forces and Iran's unconventional forces;
19 (C) the size and capability of Iranian for-
20 eign and domestic intelligence and special oper-
21 ations units, including the Iranian Revolu-
22 tionary Guard Corps-Quds Force;
23 (D) a description and analysis of Iranian
24 military doctrine;

1 (E) the types and amount of support, in-
2 cluding funding, lethal and nonlethal supplies,
3 and training, provided to groups designated by
4 the United States as foreign terrorist organiza-
5 tions and regional militant groups; and
6 (F) an estimate of the levels of funding
7 and funding and procurement sources by Iran
8 to develop and support Iran's conventional
9 forces and Iran's unconventional forces.
10 (3) An assessment of Iranian strategy and ca-
11 pabilities related to nuclear, unconventional, and
12 missile forces development, including—
13 (A) a summary and analysis of nuclear
14 weapons capabilities;
15 (B) an estimate of the amount and sources
16 of funding expended by, and an analysis of pro-
17 curement networks utilized by, Iran to develop
18 its nuclear weapons capabilities;
19 (C) a summary of the capabilities of Iran's
20 unconventional weapons and Iran's ballistic
21 missile forces and Iran's cruise missile forces,
22 including developments in the preceding year,
23 the size of Iran's ballistic missile forces and
24 Iran's cruise missile forces, and the locations of
25 missile launch sites;

(D) a detailed analysis of the effectiveness of Iran's unconventional weapons and Iran's ballistic missile forces and Iran's cruise missile forces; and

(E) an estimate of the amount and sources of funding expended by, and an analysis of procurement networks utilized by, Iran on programs to develop a capability to develop unconventional weapons and Iran's ballistic missile forces and Iran's cruise missile forces.

(4) The Government of Iran's economic strategy, including—

(A) sources of funding for the activities of the Government of Iran described in this section;

(B) the role of the Government of Iran in the formal and informal sector of the domestic Iranian economy;

(C) evasive and other efforts by the Government of Iran to circumvent international and bilateral sanctions regimes;

(D) the effect of bilateral and multilateral sanctions on the ability of Iran to implement its grand strategy and security strategy described in paragraph (1); and

(E) Iran's strategy and efforts to leverage economic and political influence, cooperation, and activities in the Middle East Europe, Africa, Western Hemisphere, and Asia.

(5) Key vulnerabilities identified in paragraph (1), and an implementation plan for the National Strategy to Counter Iran required under subsection (a).

(d) CLASSIFIED ANNEX.—The reports required under subsection (b) shall be in unclassified form to the greatest extent possible, and may include a classified annex where necessary.

SEC. 304. DEFINITIONS.

In this title:

(1) APPROPRIATE CONGRESSIONAL COMMITTEES.—The term "appropriate congressional committees" means—

(A) the Committee on Foreign Affairs, the Committee on Armed Services, the Committee on Appropriations, and the Permanent Select Committee on Intelligence of the House of Representatives; and

(B) the Committee on Foreign Relations, the Committee on Armed Services, the Com-

1 mittee on Appropriations, and the Permanent
2 Select Committee on Intelligence of the Senate.
3 (2) IRAN'S BALLISTIC MISSILE FORCES.—The
4 term "Iran's ballistic missile forces" means those
5 elements of the Government of Iran that employ bal-
6 listic missiles.
7 (3) IRAN'S BALLISTIC MISSILE AND UNCONVEN-
8 TIONAL WEAPONS.—The term "Iran's ballistic mis-
9 sile and unconventional weapons" means Iran's bal-
10 listic missile forces and chemical, biological, and ra-
11 diological weapons programs.
12 (4) IRAN'S CRUISE MISSILE FORCES.—The term
13 "Iran's cruise missile forces" means those elements
14 of the Government of Iran that employ cruise mis-
15 siles capable of flights less than 500 kilometers.
16 (5) IRAN'S CONVENTIONAL FORCES.—The term
17 "Iran's conventional forces"—
18 (A) means military forces of Iran designed
19 to conduct operations on sea, air, or land, other
20 than Iran's unconventional forces and Iran's
21 ballistic missile forces and Iran's cruise missile
22 forces; and
23 (B) includes Iran's Army, Air Force, Navy,
24 domestic law enforcement, and elements of the
25 Iranian Revolutionary Guard Corps, other than

1 the Iranian Revolutionary Guard Corps Quds
2 Force.
3 (6) IRAN'S UNCONVENTIONAL FORCES.—The
4 term "Iran's unconventional forces"—
5 (A) means forces of Iran that carry out
6 missions typically associated with special oper-
7 ations forces; and
8 (B) includes—
9 (i) the Iranian Revolutionary Guard
10 Corps-Quds Force;
11 (ii) paramilitary organizations;
12 (iii) formal and informal intelligence
13 agencies and entities; and
14 (iv) any organization that—
15 (I) has been designated as a for-
16 eign terrorist organization under sec-
17 tion 219(a) of the Immigration and
18 Nationality Act (8 U.S.C. 1189(a));
19 (II) receives assistance from
20 Iran; and
21 (III) is assessed—
22 (aa) as being willing in some
23 or all cases of carrying out at-
24 tacks on behalf of Iran; or

(bb) as likely to carry out attacks in response to an attack by another country on Iran or its interests.

TITLE IV—IRAN FINANCIAL SANCTIONS; DIVESTMENT FROM CERTAIN COMPANIES THAT INVEST IN IRAN; AND PREVENTION OF DIVERSION OF CERTAIN GOODS, SERVICES, AND TECHNOLOGIES TO IRAN

SEC. 401. IRAN FINANCIAL SANCTIONS.

(a) FINANCIAL INSTITUTION CERTIFICATION.—Section 104(e) of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (Public Law 111–195; 22 U.S.C. 8513(e)) is amended by adding at the end the following new paragraph:

"(3) CERTIFICATION.—Not later than 90 days after the date of the enactment of this paragraph, the Secretary of the Treasury shall prescribe regulations to require any person owned or controlled by a domestic financial institution to provide positive certification to the Secretary that such person is not engaged in corresponding relations or business activ-

1 ity with a foreign person or financial institution that
2 facilitates transactions from persons and domestic fi-
3 nancial institutions described in subsection (d).".
4 (b) REPORT ON THE ACTIVITIES OF THE CENTRAL
5 BANK OF IRAN.—Section 104 of the Comprehensive Iran
6 Sanctions, Accountability, and Divestment Act of 2010 is
7 amended—
8 (1) by redesignating subsection (i) as subsection
9 (j); and
10 (2) by inserting after subsection (h) the fol-
11 lowing new subsection:
12 "(i) REPORT ON THE ACTIVITIES OF THE CENTRAL
13 BANK OF IRAN.—
14 "(1) IN GENERAL.—Not later than 90 days
15 after the date of the enactment of this subsection
16 and annually thereafter, the Secretary of State, in
17 consultation with the Secretary of the Treasury,
18 shall submit to Congress a report on how the activi-
19 ties of the Central Bank of Iran facilitate Iran's ef-
20 forts to acquire nuclear weapons capabilities, uncon-
21 ventional weapons and ballistic and cruise missile
22 development, and activities as a designated state
23 sponsor of terrorism.

1 "(2) FORM.—The reports required under this
2 subsection shall be submitted in unclassified form
3 and may contain a classified annex.".
4 (c) CONTINUATION IN EFFECT.—Sections 104, 106,
5 107, 108, 109, 110, 111, and 115 of the Comprehensive
6 Iran Sanctions, Accountability, and Divestment Act of
7 2010 shall remain in effect until the President makes the
8 certification described in section 602 of this Act.

9 **SEC. 402. DIVESTMENT FROM CERTAIN COMPANIES THAT**
10 **INVEST IN IRAN.**

11 Title II of the Comprehensive Iran Sanctions, Ac-
12 countability, and Divestment Act of 2010 shall remain in
13 effect until the President makes the certification described
14 in section 602 of this Act.

15 **SEC. 403. PREVENTION OF DIVERSION OF CERTAIN GOODS,**
16 **SERVICES, AND TECHNOLOGIES TO IRAN.**

17 Title III of the Comprehensive Iran Sanctions, Ac-
18 countability, and Divestment Act of 2010 shall remain in
19 effect until the President makes the certification described
20 in section 602 of this Act.

TITLE V—SECURITIES AND EXCHANGE COMMISSION

SEC. 501. DISCLOSURES TO THE SECURITIES AND EXCHANGE COMMISSION RELATING TO SANCTIONABLE ACTIVITIES.

(a) IN GENERAL.—Section 13 of the Securities Exchange Act of 1934 (15 U.S.C. 78m) is amended by adding at the end the following new subsection:

"(r) DISCLOSURE OF CERTAIN ACTIVITIES RELATING TO IRAN, TERRORISM, AND THE PROLIFERATION OF WEAPONS OF MASS DESTRUCTION.—

"(1) GENERAL DISCLOSURE REQUIRED.—Each issuer required to file an annual or quarterly report under subsection (a) shall include with such report a statement of whether, during the period since the issuer made the last such report, the issuer or any affiliate of the issuer—

"(A) engaged in an activity described in section 5 of the Iran Sanctions Act of 1996 (Public Law 104–172; 50 U.S.C. 1701 note);

"(B) knowingly engaged in an activity described in subsection (c)(2) of section 104 of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (Public Law 111–195; 22 U.S.C. 8513) or knowingly

1 violated regulations prescribed under subsection
2 (d)(1) or (e)(1) of such section 104; or
3 "(C) knowingly conducted any transaction
4 or dealing with—
5 "(i) any person the property and in-
6 terests in property of which are blocked
7 pursuant to Executive Order 13224 (66
8 Fed. Reg. 49079; relating to blocking
9 property and prohibiting transacting with
10 persons who commit, threaten to commit,
11 or support terrorism);
12 "(ii) any person the property and in-
13 terests in property of which are blocked
14 pursuant to Executive Order 13382 (70
15 Fed. Reg. 38567; relating to blocking of
16 property of weapons of mass destruction
17 proliferators and their supporters); or
18 "(iii) any person on the list contained
19 in Appendix A to part 560 of title 31,
20 Code of Federal Regulations (commonly
21 known as the 'Iranian Transactions Regu-
22 lations').
23 "(2) SPECIFIC DISCLOSURE REQUIRED.—If an
24 issuer reports under paragraph (1) that the issuer or
25 an affiliate of the issuer has engaged in any activity

1 described in that paragraph, the issuer shall include
2 with the statement required under that paragraph a
3 detailed description of each such activity, includ-
4 ing—
5 "(A) the nature and extent of the activity;
6 "(B) the revenues and profits, if any, at-
7 tributable to the activity; and
8 "(C) whether the issuer or the affiliate of
9 the issuer (as the case may be) intends to con-
10 tinue the activity.
11 "(3) INVESTIGATION OF DISCLOSURES.—When
12 the Commission receives a report under paragraph
13 (1) from an issuer that the issuer or an affiliate of
14 the issuer has engaged in any activity described in
15 that paragraph, the President shall—
16 "(A) initiate an investigation into the pos-
17 sible imposition of sanctions under the Iran
18 Sanctions Act of 1996 (Public Law 104–172;
19 50 U.S.C. 1701 note), section 104 of the Com-
20 prehensive Iran Sanctions, Accountability, and
21 Divestment Act of 2010 (22 U.S.C. 8513), the
22 Executive Orders or regulations specified in
23 paragraph (1)(C), or any other provision of law;
24 and

"(B) not later than 180 days after initiating such an investigation, make a determination with respect to whether sanctions should be imposed with respect to the issuer or the affiliate of the issuer (as the case may be).

"(4) PUBLIC DISCLOSURE OF INFORMATION.—The Commission shall promptly—

"(A) make the information provided to the Commission under paragraphs (1) and (2) available to the public by posting the information on the Internet Web site of the Commission; and

"(B) provide a copy of that information to—

"(i) the President;

"(ii) the Committee on Foreign Affairs and the Committee on Financial Services of the House of Representatives; and

"(iii) the Committee on Foreign Relations and the Committee on Banking, Housing, and Urban Affairs of the Senate.

"(5) SUNSET.—The provisions of this subsection shall terminate on the date that is 30 days after the date on which the President makes the cer-

tification described in section 401(a) of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C. 8551(a)).".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect with respect to reports required to be filed with the Securities and Exchange Commission after the date that is 90 days after the date of the enactment of this Act.

TITLE VI—GENERAL PROVISIONS

SEC. 601. DENIAL OF VISAS FOR CERTAIN PERSONS OF THE GOVERNMENT OF IRAN.

(a) IN GENERAL.—Except as necessary to meet United States obligations under the Agreement between the United Nations and the United States of America regarding the Headquarters of the United Nations, signed June 26, 1947, and entered into force November 21, 1947, and other applicable international treaty obligations, the Secretary of State shall deny a visa to and the Secretary of Homeland Security shall exclude from the United States a person of the Government of Iran pursuant to section 6(j)(1)(A) of the Export Administration Act of 1979 (as in effect pursuant to the International Emergency Economic Powers Act; 50 U.S.C. 1701 et seq.), section 40(d) of the Arms Export Control Act (22 U.S.C.

1 2780(d)), and section 620A of the Foreign Assistance Act
2 of 1961 (22 U.S.C. 2371) if the Secretary determines that
3 such person—
4 (1) is an agent, instrumentality, or official of,
5 is affiliated with, or is serving as a representative of
6 the Government of Iran; and
7 (2) presents a threat to the United States or is
8 directly or indirectly affiliated with terrorist organi-
9 zations.
10 (b) RESTRICTION ON MOVEMENT.—The Secretary of
11 State shall restrict in Washington, DC, and at the United
12 Nations in New York City, the travel to only within a 25-
13 mile radius of Washington, DC, or the United Nations
14 headquarters building, respectively, of any person identi-
15 fied in subsection (a).
16 **SEC. 602. SUNSET.**
17 (a) SUNSET.—The provisions of this Act shall termi-
18 nate, and shall cease to be effective, on the date that is
19 30 days after the date on which the President certifies
20 to Congress that Iran—
21 (1) has ceased and verifiably dismantled its ef-
22 forts to design, develop, manufacture, or acquire—
23 (A) a nuclear explosive device or related
24 materials and technology;
25 (B) chemical and biological weapons; and

1 (C) ballistic missiles and ballistic missile
2 launch technology;
3 (2) no longer provides support for acts of inter-
4 national terrorism; and
5 (3) poses no threat to United States national
6 security, interests, or allies.
7 (b) NOTIFICATION.—The President shall notify the
8 Committee on Foreign Affairs of the House of Representa-
9 tives and the Committee on Foreign Relations of the Sen-
10 ate not later than 15 days before making a certification
11 described in subsection (a).

○

Chairman ROS-LEHTINEN. In addition, without objection, the bipartisan amendment in the nature of a substitute, which was provided to your offices on Monday and which all members have before them this morning, is made the pending business of the committee, is considered as read, and is open for an amendment at any time.

[The amendment in the nature of a substitute follows:]

AMENDMENT IN THE NATURE OF A SUBSTITUTE TO H.R. 1905 OFFERED BY MS. ROS-LEHTINEN OF FLORIDA

Strike all after the enacting clause and insert the following:

1 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

2 (a) SHORT TITLE.—This Act may be cited as the
3 "Iran Threat Reduction Act of 2011".

4 (b) TABLE OF CONTENTS.—The table of contents for
5 this Act is as follows:

Sec. 1. Short title; table of contents.
Sec. 2. Findings.
Sec. 3. Statement of policy.

TITLE I—IRAN ENERGY SANCTIONS

Sec. 101. Findings.
Sec. 102. Sense of Congress.
Sec. 103. Declaration of policy.
Sec. 104. Multilateral regime.
Sec. 105. Imposition of sanctions.
Sec. 106. Description of sanctions.
Sec. 107. Advisory opinions.
Sec. 108. Termination of sanctions.
Sec. 109. Duration of sanctions.
Sec. 110. Reports required.
Sec. 111. Determinations not reviewable.
Sec. 112. Definitions.
Sec. 113. Effective date.
Sec. 114. Repeal.

TITLE II—IRAN FREEDOM SUPPORT

Sec. 201. Codification of sanctions.
Sec. 202. Liability of parent companies for violations of sanctions by foreign subsidiaries.
Sec. 203. Declaration of Congress regarding United States policy toward Iran.
Sec. 204. Assistance to support democracy in Iran.

Sec. 205. Imposition of sanctions on certain persons who are responsible for or complicit in human rights abuses committed against citizens of Iran or their family members after the June 12, 2009, elections in Iran.
Sec. 206. Clarification of sensitive technologies for purposes of procurement ban.
Sec. 207. Comprehensive strategy to promote internet freedom and access to information in Iran.

TITLE III—IRAN REGIME AND IRAN'S ISLAMIC REVOLUTIONARY GUARD CORPS ACCOUNTABILITY

Sec. 301. Iran's Islamic Revolutionary Guard Corps.
Sec. 302. Additional export sanctions against Iran.
Sec. 303. Sanctions against affiliates of Iran's Islamic Revolutionary Guard Corps.
Sec. 304. Measures against foreign persons or entities supporting Iran's Islamic Revolutionary Guard Corps.
Sec. 305. Special measures against foreign countries supporting Iran's Islamic Revolutionary Guard Corps.
Sec. 306. Authority of State and local governments to restrict contracts or licenses for certain sanctionable persons.
Sec. 307. Iranian activities in Iraq and Afghanistan.
Sec. 308. United States policy toward Iran.
Sec. 309. Definitions.
Sec. 310. Rule of construction.

TITLE IV—IRAN FINANCIAL SANCTIONS; DIVESTMENT FROM CERTAIN COMPANIES THAT INVEST IN IRAN; AND PREVENTION OF DIVERSION OF CERTAIN GOODS, SERVICES, AND TECHNOLOGIES TO IRAN

Sec. 401. Iran financial sanctions.
Sec. 402. Divestment from certain companies that invest in Iran.
Sec. 403. Prevention of diversion of certain goods, services, and technologies to Iran.

TITLE V—SECURITIES AND EXCHANGE COMMISSION

Sec. 501. Disclosures to the Securities and Exchange Commission relating to sanctionable activities.

TITLE VI—GENERAL PROVISIONS

Sec. 601. Denial of visas for certain persons of the Government of Iran.
Sec. 602. Inadmissibility of certain aliens who engage in certain activities with respect to Iran.
Sec. 603. Amendments to civil and criminal penalties provisions under the International Emergency Economic Powers Act.
Sec. 604. Exclusion of certain activities.
Sec. 605. Regulatory authority.
Sec. 606. Sunset.

1 **SEC. 2. FINDINGS.**

2 Congress makes the following findings:

(1) Successive administrations have clearly identified the unacceptability of the Iranian regime's pursuit of nuclear weapons capabilities and the danger that pursuit presents to the United States, to our friends and allies, and to global security.

(2) In May 1995, President Clinton stated that "The specter of an Iran armed with weapons of mass destruction and the missiles to deliver them haunts not only Israel but the entire Middle East and ultimately all the rest of us as well. The United States and, I believe, all the Western nations have an overriding interest in containing the threat posed by Iran.".

(3) In the 2006 State of the Union Address, President Bush stated that "The Iranian government is defying the world with its nuclear ambitions, and the nations of the world must not permit the Iranian regime to gain nuclear weapons. America will continue to rally the world to confront these threats.".

(4) In February 2009, President Obama committed the Administration to "developing a strategy to use all elements of American power to prevent Iran from developing a nuclear weapon".

(5) Iran is a major threat to United States national security interests, not only exemplified by Tehran's nuclear program but also by its material assistance to armed groups in Iraq and Afghanistan, to the Palestinian group Hamas, to Lebanese Hezbollah, and to other extremists that seek to undermine regional stability. These capabilities provide the regime with potential asymmetric delivery vehicles and mechanisms for nuclear or other unconventional weapons.

(6) Iran's growing inventory of ballistic missile and other destabilizing types of conventional weapons provides the regime the capabilities to enhance its power projection throughout the region and undermine the national security interests of the United States and its friends and allies.

(7) Were Iran to achieve a nuclear weapons capability, it would, inter alia—

(A) likely lead to the proliferation of such weapons throughout the region, where several states have already indicated interest in nuclear programs, and would dramatically undercut 60 years of United States efforts to stop the spread of nuclear weapons;

(B) greatly increase the threat of nuclear terrorism;

(C) significantly expand Iran's already-growing influence in the region;

(D) insulate the regime from international pressure, giving it wider scope further to oppress its citizens and pursue aggression regionally and globally;

(E) embolden all Iranian-supported terrorist groups, including Hamas and Hezbollah; and

(F) directly threaten several United States friends and allies, especially Israel, whose very right to exist has been denied successively by every leader of the Islamic Republic of Iran and which Iranian President Ahmadinejad says should be "wiped off the map".

(8) Successive Congresses have clearly recognized the threat that the Iranian regime and its policies present to the United States, to our friends and allies, and to global security, and responded with successive bipartisan legislative initiatives.

(9) The extent of the Iranian threat is greater today than when the Iran and Libya Sanctions Act of 1996 was signed into law in 1996, now known as

the Iran Sanctions Act of 1996. That landmark legislation imposed sanctions on foreign companies investing in Iran's energy infrastructure in an effort to undermine the strategic threat from Iran, by cutting off investment in its petroleum sector and thereby denying the regime its economic lifeline and its ability to pursue a nuclear program.

(10) Laws such as the Iran and Libya Sanctions Act of 1996, which was retitled the Iran Sanctions Act of 1996, paved the way for the enactment of similar laws, such as the Iran, North Korea and Syria Nonproliferation Act, the Iran-Iraq Arms Non-Proliferation Act of 1992, the Iran Freedom Support Act, and the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010.

(11) United States sanctions on Iran have hindered Iran's ability to attract capital, material, and technical support for its petroleum sector, creating financial difficulties for the regime.

(12) In the Joint Explanatory Statement of the Committee of Conference to the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (Public Law 111–195; 50 U.S.C. 1701 note) issued on June 23, 2010, the Members of the Committee of Conference noted that "Although [the Iran

Sanctions Act] was enacted more than a decade ago, no Administration has sanctioned a foreign entity for investing $20 million or more in Iran's energy sector, despite a number of such investments. Indeed, on only one occasion, in 1998, did the Administration make a determination regarding a sanctions-triggering investment, but the Administration waived sanctions against the offending persons. Conferees believe that the lack of enforcement of relevant enacted sanctions may have served to encourage rather than deter Iran's efforts to pursue nuclear weapons.''.

(13) The Joint Explanatory Statement also noted that ''The effectiveness of this Act will depend on its forceful implementation. The Conferees urge the President to vigorously impose the sanctions provided for in this Act.''.

(14) The Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 mandates among other provisions that the President initiate investigations of potentially sanctionable activity under the Iran Sanctions Act of 1996. Although more than 15 months have passed since enactment of this legislation, Congress has not received notice of the imposition of sanctions on any entities that do

significant business in the United States, despite multiple reports of potentially sanctionable activity by such entities. Although, in accordance with the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010, some potentially sanctionable entities have been persuaded to wind down and end their involvement in Iran, others have not.

(15) It is unlikely that Iran can be compelled to abandon its pursuit of nuclear weapons unless sanctions are fully and effectively implemented.

SEC. 3. STATEMENT OF POLICY.

It shall be the policy of the United States to—

(1) prevent Iran from—

(A) acquiring or developing nuclear weapons and associated delivery capabilities;

(B) developing its unconventional weapons and ballistic missile capabilities; and

(C) continuing its support for foreign terrorist organizations and other activities aimed at undermining and destabilizing its neighbors and other nations; and

(2) fully implement all multilateral and bilateral sanctions against Iran in order to compel the Government of Iran to—

(A) abandon and verifiably dismantle its nuclear capabilities;

(B) abandon and verifiably dismantle its ballistic missile and unconventional weapons programs; and

(C) cease all support for foreign terrorist organizations and other activities aimed at undermining and destabilizing its neighbors and other nations.

TITLE I—IRAN ENERGY SANCTIONS

SEC. 101. FINDINGS.

Congress makes the following findings:

(1) The efforts of the Government of Iran to achieve nuclear weapons capability and to acquire other unconventional weapons and the means to deliver them, both through ballistic missile and asymmetric means, and its support for foreign terrorist organizations and other extremists endanger the national security and foreign policy interests of the United States and those countries with which the United States shares common strategic and foreign policy objectives.

(2) The objectives of preventing the proliferation of nuclear and other unconventional weapons

and countering the activities of foreign terrorist organizations and other extremists through existing multilateral and bilateral initiatives require further efforts to deny Iran the financial means to sustain its nuclear, chemical, biological, and missile weapons programs and its active support for terrorism.

(3) The Government of Iran uses its diplomatic facilities and quasi-governmental institutions outside of Iran to support foreign terrorist organizations and other extremists, and assist its unconventional weapons and missile programs, including its nuclear program.

SEC. 102. SENSE OF CONGRESS.

It is the sense of Congress that the goal of compelling Iran to abandon its pursuit of nuclear weapons and other threatening activities can be achieved most effectively through full implementation of all sanctions enacted into law, including those sanctions set out in this title.

SEC. 103. DECLARATION OF POLICY.

Congress declares that it is the policy of the United States to deny Iran the ability to support acts of foreign terrorist organizations and extremists and develop unconventional weapons and ballistic missiles. A critical means of achieving that goal is sanctions that limit Iran's ability to develop its energy resources, including its ability to ex-

1 plore for, extract, refine, and transport by pipeline its hy-
2 drocarbon resources, in order to limit the funds Iran has
3 available for pursuing its objectionable activities.

4 **SEC. 104. MULTILATERAL REGIME.**

5 (a) MULTILATERAL NEGOTIATIONS.—In order to
6 further the objectives of section 103 of this Act, Congress
7 urges the President immediately to initiate diplomatic ef-
8 forts, both in appropriate international fora such as the
9 United Nations, and bilaterally with allies of the United
10 States, to expand the multilateral sanctions regime re-
11 garding Iran, including—

12 (1) qualitatively expanding the United Nations
13 Security Council sanctions regime against Iran;

14 (2) qualitatively expanding the range of sanc-
15 tions by the European Union, South Korea, Japan,
16 Australia, and other key United States allies;

17 (3) further efforts to limit Iran's development
18 of petroleum resources and import of refined petro-
19 leum; and

20 (4) initiatives aimed at increasing non-Iranian
21 crude oil product output for current purchasers of
22 Iranian petroleum and petroleum byproducts.

23 (b) REPORTS TO CONGRESS.—Not later than 180
24 days after the date of the enactment of this Act, and annu-
25 ally thereafter, the President shall submit to the appro-

1 priate congressional committees a report on the extent to
2 which diplomatic efforts described in subsection (a) have
3 been successful. Each report shall include—
4 (1) the countries that have agreed to undertake
5 measures to further the objectives of section 103 of
6 this Act with respect to Iran, and a description of
7 those measures; and
8 (2) the countries that have not agreed to meas-
9 ures described in paragraph (1), and, with respect to
10 those countries, other measures the President rec-
11 ommends that the United States take to further the
12 objectives of section 103 of this Act with respect to
13 Iran.
14 (c) INTERIM REPORT ON MULTILATERAL SANC-
15 TIONS; MONITORING.—Not later than 90 days after the
16 date of the enactment of this Act, the President shall sub-
17 mit to the appropriate congressional committees a report
18 on—
19 (1) the countries that have established legisla-
20 tive or administrative standards providing for the
21 imposition of trade sanctions on persons or their af-
22 filiates that conduct business or have investments in
23 Iran;
24 (2) the extent and duration of each instance of
25 the application of such sanctions; and

(3) the disposition of any decision with respect to such sanctions by the World Trade Organization or its predecessor organization.

(d) INVESTIGATIONS.—

(1) IN GENERAL.—The President shall initiate an investigation into the possible imposition of sanctions under section 105 of this Act against a person upon receipt by the United States of credible information indicating that such person is engaged in an activity described in such section.

(2) DETERMINATION AND NOTIFICATION.—Not later than 180 days after the date on which an investigation is initiated under paragraph (1), the President shall (unless paragraph (6) applies) determine, pursuant to section 105 of this Act, if a person has engaged in an activity described in such section and shall notify the appropriate congressional committees of the basis for any such determination.

(3) BRIEFING.—

(A) IN GENERAL.—Not later than 30 days after the date of the enactment of this Act, and at the end of every 3-month period thereafter, the President, acting through the Secretary of State, shall brief the appropriate congressional

1 committees regarding investigations initiated
2 under this subsection.
3 (B) FORM.—The briefings required under
4 subparagraph (A) shall be provided in unclassi-
5 fied form, but may be provided in classified
6 form.
7 (4) SUBMISSION OF INFORMATION.—
8 (A) IN GENERAL.—The Secretary of State
9 shall, in accordance with section 15(b) of the
10 State Department Basic Authorities Act of
11 1956 (22 U.S.C. 2680(b)), provide to the ap-
12 propriate congressional committees all re-
13 quested information relating to investigations or
14 reviews initiated under this title, including the
15 number, scope, and dates of such investigations
16 or reviews.
17 (B) FORM.—The information required
18 under subparagraph (A) shall be provided in
19 unclassified form, but may contain a classified
20 annex.
21 (5) TERMINATION.—Subject to paragraph (6),
22 the President may, on a case-by-case basis, termi-
23 nate an investigation of a person initiated under this
24 subsection.
25 (6) SPECIAL RULE.—

(A) IN GENERAL.—The President need not initiate an investigation, and may terminate an investigation, on a case-by-case basis under this subsection if the President certifies in writing to the appropriate congressional committees 15 days prior to the determination that—

(i) the person whose activity was the basis for the investigation is no longer engaging in the activity or is divesting all holdings and terminating the activity within one year from the date of the certification; and

(ii) the President has received reliable assurances that the person will not knowingly engage in an activity described in section 105(a) of this Act in the future.

(B) APPLICATION OF SANCTIONS.—The President shall apply the sanctions described in section 106(a) of this Act in accordance with section 105(a) of this Act to a person described in subparagraph (A) if—

(i) the person fails to verifiably divest all holdings and terminate the activity described in subparagraph (A) of this paragraph within one year from the date of

1 certification of the President under sub-
2 paragraph (A); or
3 (ii) the person has been previously
4 designated pursuant to section 4(e)(3) of
5 the Iran Sanctions Act of 1996, as in ef-
6 fect on the day before the date of the en-
7 actment of this Act, and fails to verifiably
8 divest all holdings and terminate the activ-
9 ity described in subparagraph (A) within
10 one year from the date of enactment of
11 this Act.

12 **SEC. 105. IMPOSITION OF SANCTIONS.**

13 (a) SANCTIONS WITH RESPECT TO THE DEVELOP-
14 MENT OF PETROLEUM RESOURCES OF IRAN, PRODUC-
15 TION OF REFINED PETROLEUM PRODUCTS IN IRAN, AND
16 EXPORTATION OF REFINED PETROLEUM PRODUCTS TO
17 IRAN.—
18 (1) DEVELOPMENT OF PETROLEUM RESOURCES
19 OF IRAN.—
20 (A) IN GENERAL.—Except as provided in
21 subsection (f), the President shall impose a ma-
22 jority of the sanctions described in section
23 106(a) of this Act with respect to a person if
24 the President determines that the person know-

ingly, on or after the date of the enactment of this Act—

(i) makes an investment described in subparagraph (B) of $20,000,000 or more; or

(ii) makes a combination of investments described in subparagraph (B) in a 12-month period if each such investment is of at least $5,000,000 and such investments equal or exceed $20,000,000 in the aggregate.

(B) INVESTMENT DESCRIBED.—An investment described in this subparagraph is an investment that directly and significantly contributes to the enhancement of Iran's ability to develop petroleum resources.

(2) PRODUCTION OF REFINED PETROLEUM PRODUCTS.—

(A) IN GENERAL.—Except as provided in subsection (f), the President shall impose a majority of the sanctions described in section 106(a) of this Act with respect to a person if the President determines that the person knowingly, on or after the date of the enactment this Act, sells, leases, or provides to Iran goods,

1 services, technology, information, or support de-
2 scribed in subparagraph (B)—
3 (i) any of which has a fair market
4 value of $1,000,000 or more; or
5 (ii) that, during a 12-month period,
6 have an aggregate fair market value of
7 $5,000,000 or more.
8 (B) GOODS, SERVICES, TECHNOLOGY, IN-
9 FORMATION, OR SUPPORT DESCRIBED.—Goods,
10 services, technology, information, or support de-
11 scribed in this subparagraph are goods, serv-
12 ices, technology, information, or support that
13 could directly and significantly facilitate the
14 maintenance or expansion of Iran's domestic
15 production of refined petroleum products, in-
16 cluding any direct and significant assistance
17 with respect to the construction, modernization,
18 or repair of petroleum refineries or associated
19 infrastructure, including construction of port
20 facilities, railways, and roads, the primary use
21 of which is to support the delivery of refined pe-
22 troleum products.
23 (3) EXPORTATION OF REFINED PETROLEUM
24 PRODUCTS TO IRAN.—

(A) IN GENERAL.—Except as provided in subsection (f), the President shall impose a majority of the sanctions described in section 106(a) of this Act with respect to a person if the President determines that the person knowingly, on or after the date of the enactment of this Act—

(i) sells or provides to Iran refined petroleum products—

(I) that have a fair market value of $1,000,000 or more; or

(II) that, during a 12-month period, have an aggregate fair market value of $5,000,000 or more; or

(ii) sells, leases, or provides to Iran goods, services, technology, information, or support described in subparagraph (B)—

(I) any of which has a fair market value of $1,000,000 or more; or

(II) that, during a 12-month period, have an aggregate fair market value of $5,000,000 or more.

(B) GOODS, SERVICES, TECHNOLOGY, INFORMATION, OR SUPPORT DESCRIBED.—Goods, services, technology, information, or support de-

1 scribed in this subparagraph are goods, serv-
2 ices, technology, information, or support that
3 could directly and significantly contribute to the
4 enhancement of Iran's ability to import refined
5 petroleum products, including—
6 (i) except as provided in subparagraph
7 (C), underwriting or entering into a con-
8 tract to provide insurance or reinsurance
9 for the sale, lease, or provision of such
10 goods, services, service contracts, tech-
11 nology, information, or support;
12 (ii) financing or brokering such sale,
13 lease, or provision;
14 (iii) bartering or contracting by which
15 the parties exchange goods for goods, in-
16 cluding the insurance or reinsurance of
17 such exchanges;
18 (iv) purchasing, subscribing to, or fa-
19 cilitating the issuance of sovereign debt of
20 the Government of Iran, including govern-
21 mental bonds; or
22 (v) providing ships or shipping serv-
23 ices to deliver refined petroleum products
24 to Iran.

(C) EXCEPTION FOR UNDERWRITERS AND INSURANCE PROVIDERS EXERCISING DUE DILIGENCE.—The President may not impose sanctions under this paragraph with respect to a person that provides underwriting services or insurance or reinsurance if the President determines that the person has exercised due diligence in establishing and enforcing official policies, procedures, and controls to ensure that the person does not underwrite or enter into a contract to provide insurance or reinsurance for the sale, lease, or provision of goods, services, technology, information, or support described in subparagraph (B).

(4) PURCHASE, SUBSCRIPTION TO, OR FACILITATION OF THE ISSUANCE OF IRANIAN SOVEREIGN DEBT.—Except as provided in subsection (f), the President shall impose a majority of the sanctions described in section 106(a) of this Act with respect to a person if the President determines that the person knowingly, on or after the date of the enactment of this Act, purchases, subscribes to, or facilitates the issuance of—

(A) sovereign debt of the Government of Iran, including governmental bonds; or

(B) debt of any entity owned or controlled by the Government of Iran, including bonds.

(b) MANDATORY SANCTIONS WITH RESPECT TO DEVELOPMENT OF WEAPONS OF MASS DESTRUCTION OR OTHER MILITARY CAPABILITIES.—

(1) IN GENERAL.—The President shall impose a majority of the sanctions described in section 106(a) of this Act if the President determines that a person, on or after the date of the enactment of this Act, has knowingly exported, transferred, permitted, hosted, or otherwise facilitated transshipment that may have enabled a person to export, transfer, or transship to Iran or otherwise provided to Iran any goods, services, technology, or other items that would contribute materially to the ability of Iran to—

(A) acquire or develop chemical, biological, or nuclear weapons or related technologies; or

(B) acquire or develop destabilizing numbers and types of advanced conventional weapons.

(2) ADDITIONAL MANDATORY SANCTIONS RELATING TO TRANSFER OF NUCLEAR TECHNOLOGY.—

(A) IN GENERAL.—Except as provided in subparagraphs (B) and (C), in any case in

which a person is subject to sanctions under paragraph (1) because of an activity described in that paragraph that relates to the acquisition or development of nuclear weapons or related technology or of missiles or advanced conventional weapons that are designed or modified to deliver a nuclear weapon, no license may be issued for the export, and no approval may be given for the transfer or retransfer to the country the government of which has primary jurisdiction over the person, of any nuclear material, facilities, components, or other goods, services, or technology that are or would be subject to an agreement for cooperation between the United States and that government.

(B) EXCEPTION.—The sanctions described in subparagraph (A) shall not apply with respect to a country the government of which has primary jurisdiction over a person that engages in an activity described in that subparagraph if the President determines and notifies the appropriate congressional committees that the government of the country—

(i) does not know or have reason to know about the activity; or

1 (ii) has taken, or is taking, all reason-
2 able steps necessary to prevent a recur-
3 rence of the activity and to penalize the
4 person for the activity.
5 (C) INDIVIDUAL APPROVAL.—Notwith-
6 standing subparagraph (A), the President may,
7 on a case-by-case basis, approve the issuance of
8 a license for the export, or approve the transfer
9 or retransfer, of any nuclear material, facilities,
10 components, or other goods, services, or tech-
11 nology that are or would be subject to an agree-
12 ment for cooperation, to a person in a country
13 to which subparagraph (A) applies (other than
14 a person that is subject to the sanctions under
15 paragraph (1)) if the President—
16 (i) determines that such approval is
17 vital to the national security interests of
18 the United States; and
19 (ii) not later than 15 days before
20 issuing such license or approving such
21 transfer or retransfer, submits to the Com-
22 mittee on Foreign Affairs of the House of
23 Representatives and the Committee on
24 Foreign Relations of the Senate the jus-

tification for approving such license, transfer, or retransfer.

(D) CONSTRUCTION.—The restrictions in subparagraph (A) shall apply in addition to all other applicable procedures, requirements, and restrictions contained in the Atomic Energy Act of 1954 and other related laws.

(E) DEFINITION.—In this paragraph, the term "agreement for cooperation" has the meaning given that term in section 11 b. of the Atomic Energy Act of 1954 (42 U.S.C. 2014(b)).

(F) APPLICABILITY.—The sanctions described in subparagraph (A) shall apply only in a case in which a person is subject to sanctions under paragraph (1) because of an activity described in such paragraph in which such person engages on or after the date of the enactment of this Act.

(c) PERSONS AGAINST WHICH THE SANCTIONS ARE TO BE IMPOSED.—The sanctions described in subsections (a) and (b)(1) shall be imposed on—

(1) any person the President determines has carried out the activities described in subsection (a) or (b), respectively; and

(2) any person that—

(A) is a successor entity to the person referred to in paragraph (1);

(B) owns or controls the person referred to in paragraph (1), if the person that owns or controls the person referred to in paragraph (1) had actual knowledge or should have known that the person referred to in paragraph (1) engaged in the activities referred to in that paragraph; or

(C) is owned or controlled by, or under common ownership or control with, the person referred to in paragraph (1), if the person owned or controlled by, or under common ownership or control with (as the case may be), the person referred to in paragraph (1) knowingly engaged in the activities referred to in that paragraph.

For purposes of this title, any person or entity described in this subsection shall be referred to as a "sanctioned person".

(d) PUBLICATION IN FEDERAL REGISTER.—The President shall cause to be published in the Federal Register a current list of persons and entities on whom sanctions have been imposed under this title. The removal of

1 persons or entities from, and the addition of persons and
2 entities to, the list, shall also be so published.
3 (e) PUBLICATION OF PROJECTS.—The President
4 shall cause to be published in the Federal Register a list
5 of all significant projects that have been publicly tendered
6 in the oil and gas sector in Iran.
7 (f) EXCEPTIONS.—The President shall not be re-
8 quired to apply or maintain the sanctions under subsection
9 (a) or (b)—
10 (1) in the case of procurement of defense arti-
11 cles or defense services—
12 (A) under existing contracts or sub-
13 contracts, including the exercise of options for
14 production quantities to satisfy requirements
15 essential to the national security of the United
16 States;
17 (B) if the President determines in writing
18 that the person to which the sanctions would
19 otherwise be applied is a sole source supplier of
20 the defense articles or services, that the defense
21 articles or services are essential, and that alter-
22 native sources are not readily or reasonably
23 available; or
24 (C) if the President determines in writing
25 that such articles or services are essential to the

national security under defense coproduction agreements;

(2) in the case of procurement, to eligible products, as defined in section 308(4) of the Trade Agreements Act of 1979 (19 U.S.C. 2518(4)), of any foreign country or instrumentality designated under section 301(b) of that Act (19 U.S.C. 2511(b));

(3) to products, technology, or services provided under contracts entered into before the date on which the President publishes in the Federal Register the name of the person on whom the sanctions are to be imposed;

(4) to—

(A) spare parts which are essential to United States products or production;

(B) component parts, but not finished products, essential to United States products or production; or

(C) routine servicing and maintenance of products, to the extent that alternative sources are not readily or reasonably available;

(5) to information and technology essential to United States products or production; or

(6) to medicines, medical supplies, or other humanitarian items.

SEC. 106. DESCRIPTION OF SANCTIONS.

(a) IN GENERAL.—The sanctions to be imposed on a sanctioned person under section 105 of this Act are as follows:

(1) EXPORT-IMPORT BANK ASSISTANCE FOR EXPORTS TO SANCTIONED PERSONS.—The President may direct the Export-Import Bank of the United States to not give approval to for the issuance of any guarantee, insurance, extension of credit, or participation in the extension of credit in connection with the export of any goods or services to any sanctioned person.

(2) EXPORT SANCTION.—The President may order the United States Government not to issue any specific license and not to grant any other specific permission or authority to export any goods or technology to a sanctioned person under—

(A) the Export Administration Act of 1979 (as continued in effect pursuant to the International Emergency Economic Powers Act);

(B) the Arms Export Control Act;

(C) the Atomic Energy Act of 1954; or

(D) any other law that requires the prior review and approval of the United States Government as a condition for the export or reexport of goods or services.

(3) LOANS FROM UNITED STATES FINANCIAL INSTITUTIONS.—The United States Government may prohibit any United States financial institution from making loans or providing credits to any sanctioned person totaling more than $10,000,000 in any 12-month period unless such person is engaged in activities to relieve human suffering and the loans or credits are provided for such activities.

(4) PROHIBITIONS ON FINANCIAL INSTITUTIONS.—The following prohibitions may be imposed against a sanctioned person that is a financial institution:

(A) PROHIBITION ON DESIGNATION AS PRIMARY DEALER.—Neither the Board of Governors of the Federal Reserve System nor the Federal Reserve Bank of New York may designate, or permit the continuation of any prior designation of, such financial institution as a primary dealer in United States Government debt instruments.

(B) PROHIBITION ON SERVICE AS A REPOSITORY OF GOVERNMENT FUNDS.—Such financial institution may not serve as agent of the United States Government or serve as repository for United States Government funds.

The imposition of either sanction under subparagraph (A) or (B) shall be treated as one sanction for purposes of section 105 of this Act, and the imposition of both such sanctions shall be treated as 2 sanctions for purposes of section 105 of this Act.

(5) PROCUREMENT SANCTION.—The United States Government may not procure, or enter into any contract for the procurement of, any goods or services from a sanctioned person.

(6) FOREIGN EXCHANGE.—The President may prohibit any transactions in foreign exchange that are subject to the jurisdiction of the United States and in which the sanctioned person has any interest.

(7) BANKING TRANSACTIONS.—The President may prohibit any transfers of credit or payments between financial institutions or by, through, or to any financial institution, to the extent that such transfers or payments are subject to the jurisdiction of the United States and involve any interest of the sanctioned person.

(8) PROPERTY TRANSACTIONS.—The President may prohibit any person from—

(A) acquiring, holding, withholding, using, transferring, withdrawing, transporting, importing, or exporting any property that is subject to the jurisdiction of the United States and with respect to which a sanctioned person has any interest;

(B) dealing in or exercising any right, power, or privilege with respect to such property; or

(C) conducting any transaction involving such property.

(9) GROUNDS FOR EXCLUSION.—The Secretary of State may deny a visa to, and the Secretary of Homeland Security may deny admission into the United States to, any alien whom the Secretary of State determines is an alien who, on or after the date of the enactment of this Act, is a—

(A) corporate officer, principal, or shareholder with a controlling interest of a person against whom sanctions have been imposed under subsection (a) or (b);

(B) corporate officer, principal, or shareholder with a controlling interest of a successor

entity to or a parent or subsidiary of such a sanctioned person;

(C) corporate officer, principal, or shareholder with a controlling interest of an affiliate of such a sanctioned person, if such affiliate engaged in a sanctionable activity described in subsection (a) or (b) and if such affiliate is controlled in fact by such sanctioned person; or

(D) spouse, minor child, or agent of a person inadmissible under subparagraph (A), (B), or (C).

(10) SANCTIONS ON PRINCIPAL EXECUTIVE OFFICERS.—The President may impose on the principal executive officer or officers of any sanctioned person, or on persons performing similar functions and with similar authorities as such officer or officers, any of the sanctions under this subsection. The President shall include on the list published under section 105(d) of this Act the name of any person against whom sanctions are imposed under this paragraph.

(11) ADDITIONAL SANCTIONS.—The President shall impose sanctions, as appropriate, to restrict imports with respect to a sanctioned person, in ac-

1 cordance with the International Emergency Eco-
2 nomic Powers Act (50 U.S.C. 1701 et seq.).
3 (b) ADDITIONAL MEASURE RELATING TO GOVERN-
4 MENT CONTRACTS.—
5 (1) MODIFICATION OF FEDERAL ACQUISITION
6 REGULATION.—The Federal Acquisition Regulation
7 issued pursuant to section 1303 of title 41, United
8 States Code, shall require a certification from each
9 person that is a prospective contractor that such
10 person and any person owned or controlled by the
11 person does not engage in any activity for which
12 sanctions may be imposed under section 105 or sec-
13 tion 305 of this Act.
14 (2) REMEDIES.—
15 (A) IN GENERAL.—If the head of an exec-
16 utive agency determines that a person has sub-
17 mitted a false certification under paragraph (1)
18 after the date on which the Federal Acquisition
19 Regulation is revised to implement the require-
20 ments of this subsection, the head of that exec-
21 utive agency shall terminate a contract with
22 such person or debar or suspend such person
23 from eligibility for Federal contracts for a pe-
24 riod of not less than 2 years. Any such debar-
25 ment or suspension shall be subject to the pro-

cedures that apply to debarment and suspension under the Federal Acquisition Regulation under subpart 9.4 of part 9 of title 48, Code of Federal Regulations.

(B) INCLUSION ON LIST OF PARTIES EXCLUDED FROM FEDERAL PROCUREMENT AND NONPROCUREMENT PROGRAMS.—The Administrator of General Services shall include on the List of Parties Excluded from Federal Procurement and Nonprocurement Programs maintained by the Administrator under part 9 of the Federal Acquisition Regulation issued pursuant to section 1303 of title 41, United States Code, each person that is debarred, suspended, or proposed for debarment or suspension by the head of an executive agency on the basis of a determination of a false certification under subparagraph (A).

(3) CLARIFICATION REGARDING CERTAIN PRODUCTS.—The remedies specified in paragraph (2) shall not apply with respect to the procurement of eligible products, as defined in section 308(4) of the Trade Agreements Act of 1974 (19 U.S.C. 2518(4)), of any foreign country or instrumentality designated

1 under section 301(b) of such Act (19 U.S.C.
2 2511(b)).
3 (4) RULE OF CONSTRUCTION.—This subsection
4 shall not be construed to limit the use of other rem-
5 edies available to the head of an executive agency or
6 any other official of the Federal Government on the
7 basis of a determination of a false certification
8 under paragraph (1).
9 (5) WAIVER.—The President may, on a case-
10 by-case basis, waive the requirement that a person
11 make a certification under paragraph (1) if the
12 President determines and certifies in writing to the
13 appropriate congressional committees that failure to
14 exercise such waiver authority would pose an un-
15 usual and extraordinary threat to the vital national
16 security interests of the United States.
17 (6) EXECUTIVE AGENCY DEFINED.—In this
18 subsection, the term "executive agency" has the
19 meaning given such term in section 133 of title 41,
20 United States Code.
21 (7) APPLICABILITY.—The revisions to the Fed-
22 eral Acquisition Regulation required under para-
23 graph (1) shall apply with respect to contracts for
24 which solicitations are issued on or after the date

that is 90 days after the date of the enactment of this Act.

SEC. 107. ADVISORY OPINIONS.

The Secretary of State may, upon the request of any person, issue an advisory opinion to such person as to whether a proposed activity by such person would subject such person to sanctions under this title. Any person who relies in good faith on such an advisory opinion which states that such proposed activity would not subject such person to such sanctions, and any such person who thereafter engages in such activity, shall not be made subject to such sanctions on account of such activity.

SEC. 108. TERMINATION OF SANCTIONS.

(a) CERTIFICATION.—The requirement under section 105 of this Act to impose sanctions shall no longer have force or effect with respect to Iran if the President determines and certifies to the appropriate congressional committees that Iran—

(1) has ceased and verifiably dismantled its efforts to design, develop, manufacture, or acquire—

(A) a nuclear explosive device or related materials and technology;

(B) chemical and biological weapons; and

(C) ballistic missiles and ballistic missile launch technology;

(2) no longer provides support for acts of international terrorism; and

(3) poses no threat to the national security, interests, or allies of the United States.

(b) NOTIFICATION.—The President shall notify the appropriate congressional committees not later than 15 days before making the certification described in subsection (a).

SEC. 109. DURATION OF SANCTIONS.

(a) DELAY OF SANCTIONS.—

(1) CONSULTATIONS.—If the President makes a determination described in section 105 of this Act with respect to a foreign person, Congress urges the President to initiate consultations immediately with the government with primary jurisdiction over such foreign person with respect to the imposition of sanctions under such section.

(2) ACTIONS BY GOVERNMENT OF JURISDICTION.—In order to pursue consultations under paragraph (1) with the government concerned, the President may delay for up to 90 days the imposition of sanctions under section 105 of this Act. Following such consultations, the President shall immediately impose on the foreign person referred to in paragraph (1) such sanctions unless the President deter-

mines and certifies to Congress that the government has taken specific and effective actions, including, as appropriate, the imposition of appropriate penalties to terminate the involvement of the foreign person in the activities that resulted in the determination by the President under section 105 of this Act concerning such foreign person and the foreign person is no longer engaged in such activities.

(b) DURATION OF SANCTIONS.—A sanction imposed under section 105 of this Act shall remain in effect—

(1) for a period of not less than 2 years beginning on the date on which such sanction is imposed; or

(2) until such time as the President determines and certifies to Congress that the person whose activities were the basis for imposing such sanction is no longer engaging in such activities and that the President has received reliable assurances that such person will not knowingly engage in such activities in the future, except that such sanction shall remain in effect for a period of at least one year.

(c) WAIVER.—

(1) AUTHORIZATION.—

(A) IN GENERAL.—The President may waive the requirements in section 105(a) or

105(b)(2) of this Act to impose a sanction or sanctions, and may waive, on a case-by-case basis, the continued imposition of a sanction or sanctions under subsection (b) of this section, if the President determines and so reports to the appropriate congressional committees 15 days prior to the exercise of waiver authority that failure to exercise such waiver authority would pose an unusual and extraordinary threat to the vital national security interests of the United States.

(B) CONTENTS OF REPORT.—Any report under subparagraph (A) shall provide a specific and detailed rationale for a determination made pursuant to such paragraph, including—

(i) a description of the conduct that resulted in the determination under section 105(a) or section 105(b)(2) of this Act, as the case may be;

(ii) in the case of a foreign person, an explanation of the efforts to secure the co-operation of the government with primary jurisdiction over such person to terminate or, as appropriate, penalize the activities that resulted in the determination under

1 section 105(a) or 105(b)(2) of this Act, as
2 the case may be;
3 (iii) an estimate of the significance of
4 the conduct of the person concerned in
5 contributing to the ability of Iran to de-
6 velop petroleum resources, produce refined
7 petroleum products, or import refined pe-
8 troleum products; and
9 (iv) a statement as to the response of
10 the United States in the event that the
11 person concerned engages in other activi-
12 ties that would be subject to a sanction or
13 sanctions under section 105(a) or
14 105(b)(2) of this Act, as the case may be.
15 (2) WAIVER WITH RESPECT TO PERSONS IN
16 COUNTRIES THAT COOPERATE IN MULTILATERAL
17 EFFORTS WITH RESPECT TO IRAN.—
18 (A) IN GENERAL.—The President may, on
19 a case-by-case basis, waive for a period of not
20 more than 12 months the application of section
21 105(a) of this Act with respect to a person if
22 the President, at least 30 days before the waiv-
23 er is to take effect—
24 (i) certifies to the appropriate con-
25 gressional committees that—

(I) the government with primary jurisdiction over the person is closely cooperating with the United States in multilateral efforts to prevent Iran from—

(aa) acquiring or developing chemical, biological, or nuclear weapons or related technologies; or

(bb) acquiring or developing destabilizing numbers and types of advanced conventional weapons; and

(II) such a waiver is vital to the national security interests of the United States; and

(ii) submits to the appropriate congressional committees a report identifying—

(I) the person with respect to which the President waives the application of sanctions; and

(II) the actions taken by the government described in clause (i)(I) to

cooperate in multilateral efforts described in that clause.

(B) SUBSEQUENT RENEWAL OF WAIVER.—At the conclusion of the period of a waiver under subparagraph (A), the President may renew the waiver—

(i) if the President determines, in accordance with subparagraph (A), that the waiver is appropriate; and

(ii) for subsequent periods of not more than 12 months each.

SEC. 110. REPORTS REQUIRED.

(a) REPORT ON CERTAIN INTERNATIONAL INITIATIVES.—Not later than 180 days after the date of the enactment of this Act and every 180 days thereafter, the President shall transmit to the appropriate congressional committees a report describing—

(1) the efforts of the President to mount a multilateral campaign to persuade all countries to pressure Iran to cease its nuclear, chemical, biological, and missile weapons programs and its support of acts of international terrorism;

(2) the efforts of the President to persuade other governments to ask Iran to reduce in the countries of such governments the presence of Ira-

nian diplomats and representatives of other government and military or quasi-governmental institutions of Iran, and to withdraw any such diplomats or representatives who participated in the takeover of the United States Embassy in Tehran, Iran, on November 4, 1979, or the subsequent holding of United States hostages for 444 days;

(3) the extent to which the International Atomic Energy Agency has established regular inspections of all nuclear facilities in Iran, including those facilities presently under construction; and

(4) Iran's use of Iranian diplomats and representatives of other government and military or quasi-governmental institutions of Iran to promote acts of international terrorism or to develop or sustain Iran's nuclear, chemical, biological, or missile weapons programs.

(b) REPORT ON EFFECTIVENESS OF ACTIONS UNDER THIS ACT.—Not later than 180 days after the date of the enactment of this Act and annually thereafter, the President shall transmit to Congress a report that describes—

(1) the extent to which actions relating to trade taken pursuant to this title have—

1 (A) been effective in achieving the policy
2 objective described in section 103 of this Act
3 and any other foreign policy or national security
4 objectives of the United States with respect to
5 Iran; and
6 (B) affected humanitarian interests in
7 Iran, the country in which a sanctioned person
8 is located, or in other countries; and
9 (2) the impact of actions relating to trade taken
10 pursuant to this title on other national security, eco-
11 nomic, and foreign policy interests of the United
12 States, including relations with countries friendly to
13 the United States, and on the United States econ-
14 omy.
15 The President may include in such reports the President's
16 recommendation on whether or not this Act should be ter-
17 minated or modified.
18 (c) OTHER REPORTS.—The President shall ensure
19 the continued transmittal to Congress of reports describ-
20 ing—
21 (1) the nuclear and other military capabilities
22 of Iran, as required under section 601(a) of the Nu-
23 clear Non-Proliferation Act of 1978 and section
24 1607 of the National Defense Authorization Act for
25 Fiscal Year 1993; and

(2) the support provided by Iran for acts of international terrorism, as part of the Department of State's annual reports on international terrorism.

(d) REPORTS ON GLOBAL TRADE RELATING TO IRAN.—Not later than 180 days after the date of the enactment of the this Act and annually thereafter, the President shall transmit to the appropriate congressional committees a report, with respect to the most recent 12-month period for which data are available, on the dollar value amount of trade, including in the energy sector, between Iran and each country maintaining membership in the Group of 20 Finance Ministers and Central Bank Governors.

SEC. 111. DETERMINATIONS NOT REVIEWABLE.

A determination to impose sanctions under this title shall not be reviewable in any court.

SEC. 112. DEFINITIONS.

In this title:

(1) ACT OF INTERNATIONAL TERRORISM.—The term "act of international terrorism" has the meaning given such term in section 2331 of title 18, United States Code.

(2) APPROPRIATE CONGRESSIONAL COMMITTEES.—The term "appropriate congressional committees" means—

(A) the Committee on Finance, the Committee on Banking, Housing, and Urban Affairs, and the Committee on Foreign Relations of the Senate; and

(B) the Committee on Ways and Means, the Committee on Banking and Financial Services, the Committee on Financial Services, and the Committee on Foreign Affairs of the House of Representatives.

(3) COMPONENT PART.—The term "component part" has the meaning given such term in section 11A(e)(1) of the Export Administration Act of 1979 (50 U.S.C. App. 2410a(e)(1)).

(4) CREDIBLE INFORMATION.—The term "credible information" means, with respect to a person, such person's public announcement of an investment described in section 105 of this Act, Iranian governmental announcements of such an investment, reports to stockholders, annual reports, industry reports, Government Accountability Office products, and trade publications.

(5) DEVELOP AND DEVELOPMENT.—The terms "develop" and "development" mean the exploration for, or the extraction, refining, or transportation by pipeline of, petroleum resources.

(6) FINANCIAL INSTITUTION.—The term "financial institution" includes—

(A) a depository institution (as defined in section 3(c)(1) of the Federal Deposit Insurance Act), including a branch or agency of a foreign bank (as defined in section 1(b)(7) of the International Banking Act of 1978);

(B) a credit union;

(C) a securities firm, including a broker or dealer;

(D) an insurance company, including an agency or underwriter; and

(E) any other company that provides financial services including joint ventures with Iranian entities both inside and outside of Iran and partnerships or investments with Iranian government-controlled entities or affiliated entities.

(7) FINISHED PRODUCT.—The term "finished product" has the meaning given such term in section 11A(e)(2) of the Export Administration Act of 1979 (50 U.S.C. App. 2410a(e)(2)).

(8) FOREIGN PERSON.—The term "foreign person" means—

(A) an individual who is not a United States person or an alien lawfully admitted for permanent residence into the United States; or

(B) a corporation, partnership, joint venture, cooperative venture, or other nongovernmental entity which is not a United States person.

(9) FOREIGN TERRORIST ORGANIZATION.—The term "foreign terrorist organization" means an organization designated by the Secretary of State as a foreign terrorist organization in accordance with section 219(a) of the Immigration and Nationality Act (8 U.S.C. 1189(a)).

(10) GOODS AND TECHNOLOGY.—The terms "goods" and "technology" have the meanings given such terms in section 16 of the Export Administration Act of 1979 (50 U.S.C. App. 2415).

(11) INVESTMENT.—The term "investment" means any of the following activities if any of such activities is undertaken pursuant to an agreement, or pursuant to the exercise of rights under such an agreement, that is entered into with the Government of Iran or a nongovernmental entity in Iran, on or after the date of the enactment of this Act:

(A) The entry into a contract that includes responsibility for the development of petroleum resources located in Iran, or the entry into a contract providing for the general supervision and guarantee of another person's performance of such a contract.

(B) The purchase of a share of ownership, including an equity interest, in the development described in subparagraph (A).

(C) The entry into a contract providing for the participation in royalties, earnings, or profits in the development described in subparagraph (A), without regard to the form of such participation.

(D) The provision of goods, services, or technology related to petroleum resources.

(12) IRAN.—The term "Iran" includes any agency or instrumentality of Iran.

(13) IRANIAN DIPLOMATS AND REPRESENTATIVES OF OTHER GOVERNMENT AND MILITARY OR QUASI-GOVERNMENTAL INSTITUTIONS OF IRAN.—The term "Iranian diplomats and representatives of other government and military or quasi-governmental institutions of Iran" includes employees, representatives, or affiliates of Iran's—

(A) Foreign Ministry;

(B) Ministry of Intelligence and Security;

(C) Revolutionary Guard Corps and affiliated entities;

(D) Crusade for Reconstruction;

(E) Qods (Jerusalem) Forces;

(F) Interior Ministry;

(G) Foundation for the Oppressed and Disabled;

(H) Prophet's Foundation;

(I) June 5th Foundation;

(J) Martyr's Foundation;

(K) Islamic Propagation Organization; and

(L) Ministry of Islamic Guidance.

(14) 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 of such conduct, circumstance, or result.

(15) NUCLEAR EXPLOSIVE DEVICE.—The term "nuclear explosive device" means any device, whether assembled or disassembled, that is designed to produce an instantaneous release of an amount of nuclear energy from special nuclear material (as defined in section 11(aa) of the Atomic Energy Act of

1954 (42 U.S.C. 2014(aa))) that is greater than the amount of energy that would be released from the detonation of one pound of trinitrotoluene (TNT).

(16) PERSON.—

(A) IN GENERAL.—The term "person" means—

(i) a natural person;

(ii) a corporation, business association, partnership, society, trust, financial institution, insurer, underwriter, guarantor, or any other business organization, any other nongovernmental entity, organization, or group, and any governmental entity operating as a business enterprise; and

(iii) any successor to any entity described in clause (ii).

(B) EXCLUSION.—The term "person" does not include a government or governmental entity that is not operating as a business enterprise.

(17) PETROLEUM RESOURCES.—The term "petroleum resources" includes petroleum and natural gas resources, refined petroleum products, oil or liquefied natural gas, oil or liquefied natural gas tankers, and products used to construct or maintain

pipelines used to transport oil or liquefied natural gas.

(18) REFINED PETROLEUM PRODUCTS.—The term "refined petroleum products" means diesel, gasoline, jet fuel (including naphtha-type and kerosene-type jet fuel), and aviation gasoline.

(19) UNITED STATES OR STATE.—The terms "United States" and "State" mean the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, American Samoa, Guam, the United States Virgin Islands, and any other territory or possession of the United States.

(20) UNITED STATES PERSON.—The term "United States person" means—

(A) a natural person who is a citizen of the United States or who owes permanent allegiance to the United States; and

(B) a corporation or other legal entity that is organized under the laws of the United States or any State if a natural person described in subparagraph (A) owns more than 50 percent of the outstanding capital stock or other beneficial interest in such corporation or legal entity.

SEC. 113. EFFECTIVE DATE.

This title shall take effect on the date of the enactment of this Act and shall apply with respect to an investment or activity described in subsection (a) or (b) of section 105 of this Act that is commenced on or after such date of enactment.

SEC. 114. REPEAL.

(a) IN GENERAL.—The Iran Sanctions Act of 1996 (50 U.S.C. 1701 note) is repealed.

(b) CONFORMING AMENDMENTS.—The Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (Public Law 111–195; 22 U.S.C. 8501 et seq.) is amended—

(1) in section 103(b)(3)(E), by striking "section 14 of the Iran Sanctions Act of 1996 (Public Law 104–172; 50 U.S.C. 1701 note)" and inserting "section 112 of the Iran Threat Reduction Act of 2011";

(2) in section 111(a)(1), by striking "section 5 of the Iran Sanctions Act of 1996, as amended by section 102 of this Act" and inserting "section 105 of the Iran Threat Reduction Act of 2011";

(3) in section 112(3), by striking "Iran Sanctions Act of 1996, as amended by section 102 of this Act," and inserting "Iran Threat Reduction Act of 2011"; and

(4) in section 201(2), by striking "section 14 of the Iran Sanctions Act of 1996 (Public Law 104–172; 50 U.S.C. 1701 note)" and inserting "section 112 of the Iran Threat Reduction Act of 2011".

(c) REFERENCES.—Any reference in a law, regulation, document, or other record of the United States to the Iran Sanctions Act of 1996 shall be deemed to be a reference to this title.

(d) FEDERAL ACQUISITION REGULATION.—Notwithstanding the repeal made by subsection (a), the modification to the Federal Acquisition Regulation made pursuant to section 6(b)(1) of the Iran Sanctions Act of 1996 shall continue in effect until the modification to such Regulation that is made pursuant to section 106(b)(1) of this Act takes effect.

TITLE II—IRAN FREEDOM SUPPORT

SEC. 201. CODIFICATION OF SANCTIONS.

United States sanctions with respect to Iran imposed pursuant to—

(1) sections 1 and 3 of Executive Order 12957,

(2) sections 1(e), 1(g), and 3 of Executive Order 12959,

(3) sections 2, 3, and 5 of Executive Order 13059,

(4) sections 1, 5, 6, 7, and 8 of Executive Order 13553, or

(5) sections 1, 2, and 5 of Executive Order 13574,

as in effect on September 1, 2011, shall remain in effect until the President certifies to the appropriate congressional committees, at least 90 days before the removal of such sanctions, that the Government of Iran has verifiably dismantled its nuclear weapons program, its biological and chemical weapons programs, its ballistic missile development programs, and ceased its support for international terrorism.

SEC. 202. LIABILITY OF PARENT COMPANIES FOR VIOLATIONS OF SANCTIONS BY FOREIGN SUBSIDIARIES.

(a) DEFINITIONS.—In this section:

(1) ENTITY.—The term "entity" means a partnership, association, trust, joint venture, corporation, or other organization.

(2) OWN OR CONTROL.—The term "own or control" means, with respect to an entity—

(A) to hold more than 50 percent of the equity interest by vote or value in the entity;

(B) to hold a majority of seats on the board of directors of the entity; or

(C) to otherwise control the actions, policies, or personnel decisions of the entity.

(3) SUBSIDIARY.—The term "subsidiary" means an entity that is owned or controlled by a United States person.

(4) UNITED STATES PERSON.—The term "United States person" means—

(A) a natural person who is a citizen, resident, or national of the United States; and

(B) an entity that is organized under the laws of the United States, any State or territory thereof, or the District of Columbia, if natural persons described in subparagraph (A) own or control the entity.

(b) IN GENERAL.—A United States person shall be subject to a penalty for a violation of the provisions of Executive Order 12959 (50 U.S.C. 1701 note) or Executive Order 13059 (50 U.S.C. 1701 note), or any other prohibition on transactions with respect to Iran imposed under the authority of the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.), if the President determines that a subsidiary of the United States person that is established or maintained outside the United States engages in an act that, if committed in the

United States or by a United States person, would violate such provisions.

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—Subsection (b) shall take effect on the date of the enactment of this Act and apply with respect to acts described in subsection (b)(2) that are—

(A) commenced on or after the date of the enactment of this Act; or

(B) except as provided in paragraph (2), commenced before such date of enactment, if such acts continue on or after such date of enactment.

(2) EXCEPTION.—Subsection (b) shall not apply with respect to an act described in paragraph (1)(B) by a subsidiary owned or controlled by a United States person if the United States person divests or terminates its business with the subsidiary not later than 90 days after the date of the enactment of this Act.

SEC. 203. DECLARATION OF CONGRESS REGARDING UNITED STATES POLICY TOWARD IRAN.

It shall be the policy of the United States to support those individuals in Iran seeking a free, democratic gov-

1 ernment that respects the rule of law and protects the
2 rights of all citizens.

3 **SEC. 204. ASSISTANCE TO SUPPORT DEMOCRACY IN IRAN.**

4 (a) ASSISTANCE AUTHORIZED.—The President is au-
5 thorized to provide financial and political assistance (in-
6 cluding the award of grants) to foreign and domestic indi-
7 viduals, organizations, and entities that support democ-
8 racy and the promotion of democracy in Iran. Such assist-
9 ance may include the award of grants to eligible inde-
10 pendent prodemocracy broadcasting organizations and
11 new media that broadcast into Iran.

12 (b) ELIGIBILITY FOR ASSISTANCE.—Financial and
13 political assistance authorized under this section shall be
14 provided only to an individual, organization, or entity
15 that—

16 (1) officially opposes the use of violence and
17 terrorism and has not been designated as a foreign
18 terrorist organization under section 219(a) of the
19 Immigration and Nationality Act (8 U.S.C. 1189(a))
20 at any time during the preceding 4 years;

21 (2) advocates the adherence by Iran to non-
22 proliferation regimes for nuclear, chemical, and bio-
23 logical weapons and materiel;

1 (3) is dedicated to democratic values and sup-
2 ports the adoption of a democratic form of Govern-
3 ment in Iran;
4 (4) is dedicated to respect for human rights, in-
5 cluding the fundamental equality of women;
6 (5) works to establish equality of opportunity
7 for all people; and
8 (6) supports freedom of the press, freedom of
9 speech, freedom of association, and freedom of reli-
10 gion.
11 (c) FUNDING.—Financial and political assistance au-
12 thorized under this section may only be provided using
13 funds available to the Middle East Partnership Initiative
14 (MEPI), the Broader Middle East and North Africa Ini-
15 tiative, the Human Rights and Democracy Fund, and the
16 Near East Regional Democracy Fund.
17 (d) NOTIFICATION.—Not later than 15 days before
18 each obligation of assistance under this section, and in ac-
19 cordance with the procedures under section 634A of the
20 Foreign Assistance Act of 1961 (22 U.S.C. 2394–l), the
21 President shall notify the Committee on Foreign Affairs
22 and the Committee on Appropriations of the House of
23 Representatives and the Committee on Foreign Relations
24 and the Committee on Appropriations of the Senate of
25 such obligation of assistance. Such notification shall in-

1 clude, as practicable, a description of the types of pro-
2 grams supported by such assistance and an identification
3 of the recipients of such assistance.

4 (e) SENSE OF CONGRESS REGARDING DIPLOMATIC
5 ASSISTANCE.—It is the sense of Congress that—

6 (1) contacts should be expanded with opposition
7 groups in Iran that meet the criteria for eligibility
8 for assistance under subsection (b);

9 (2) support for those individuals seeking democ-
10 racy in Iran should be expressed by United States
11 representatives and officials in all appropriate inter-
12 national fora; and

13 (3) officials and representatives of the United
14 States should—

15 (A) strongly and unequivocally support in-
16 digenous efforts in Iran calling for free, trans-
17 parent, and democratic elections; and

18 (B) draw international attention to viola-
19 tions by the Government of Iran of human
20 rights, freedom of religion, freedom of assem-
21 bly, and freedom of the press.

1 **SEC. 205. IMPOSITION OF SANCTIONS ON CERTAIN PER-**
2 **SONS WHO ARE RESPONSIBLE FOR OR**
3 **COMPLICIT IN HUMAN RIGHTS ABUSES COM-**
4 **MITTED AGAINST CITIZENS OF IRAN OR**
5 **THEIR FAMILY MEMBERS AFTER THE JUNE**
6 **12, 2009, ELECTIONS IN IRAN.**

7 (a) LIST OF PERSONS WHO ARE RESPONSIBLE FOR
8 OR COMPLICIT IN CERTAIN HUMAN RIGHTS ABUSES;
9 SANCTIONS ON SUCH PERSONS.—

10 (1) IN GENERAL.—Not later than 90 days after
11 the date of the enactment of this Act, the President
12 shall transmit to the appropriate congressional com-
13 mittees a list of all persons who are senior officials
14 of the Government of Iran, including the Supreme
15 Leader, the President, Members of the Cabinet,
16 Members of the Assembly of Experts, Members of
17 the Ministry of Intelligence Services, or any Member
18 of the Iranian Revolutionary Guard Corps with the
19 rank of brigadier general and above, including mem-
20 bers of paramilitary organizations such as Ansar-e-
21 Hezbollah and Basij-e Mostaz'afin.

22 (2) CERTIFICATION.—The President shall im-
23 pose on the persons specified in the list under para-
24 graph (1) the sanctions described in subsection (b).
25 The President shall exempt any such person from
26 such imposition if the President determines and cer-

1 tifies to the appropriate congressional committees
2 that such person, based on credible evidence, is not
3 responsible for or complicit in, or responsible for or-
4 dering, controlling, or otherwise directing, the com-
5 mission of serious human rights abuses against citi-
6 zens of Iran or their family members on or after
7 June 12, 2009, regardless of whether such abuses
8 occurred in Iran.

9 (3) UPDATES OF LIST.—The President shall
10 transmit to the appropriate congressional commit-
11 tees an updated list under paragraph (1)—

12 (A) not later than every 60 days beginning
13 after the date of the initial transmittal under
14 such paragraph; and

15 (B) as new information becomes available.

16 (4) FORM OF REPORT; PUBLIC AVAILABILITY.—

17 (A) FORM.—The list required under para-
18 graph (1) shall be submitted in unclassified
19 form but may contain a classified annex.

20 (B) PUBLIC AVAILABILITY.—The unclassi-
21 fied portion of the list required under para-
22 graph (1) shall be made available to the public
23 and posted on the Web sites of the Department
24 of the Treasury and the Department of State.

1 (5) CONSIDERATION OF DATA FROM OTHER
2 COUNTRIES AND NONGOVERNMENTAL ORGANIZA-
3 TIONS.—In preparing the list required under para-
4 graph (1), the President shall consider credible data
5 already obtained by other countries and nongovern-
6 mental organizations, including organizations in
7 Iran, that monitor the human rights abuses of the
8 Government of Iran.

9 (b) SANCTIONS DESCRIBED.—The sanctions de-
10 scribed in this subsection are ineligibility for a visa to
11 enter the United States and sanctions pursuant to the
12 International Emergency Economic Powers Act (50
13 U.S.C. 1701 et seq.), including blocking of property and
14 restrictions or prohibitions on financial transactions and
15 the exportation and importation of property, subject to
16 such regulations as the President may prescribe, including
17 regulatory exceptions to permit the United States to com-
18 ply with the Agreement between the United Nations and
19 the United States of America regarding the Headquarters
20 of the United Nations, signed June 26, 1947, and entered
21 into force November 21, 1947, and other applicable inter-
22 national obligations.

23 (c) TERMINATION OF SANCTIONS.—The provisions of
24 this section shall terminate on the date on which the Presi-

1 dent determines and certifies to the appropriate congres-
2 sional committees that the Government of Iran—
3 (1) has unconditionally released all political
4 prisoners, including the citizens of Iran detained in
5 the aftermath of the June 12, 2009, presidential
6 election in Iran;
7 (2) has ceased its practices of violence, unlawful
8 detention, torture, and abuse of citizens of Iran
9 while engaging in peaceful political activity;
10 (3) has conducted a transparent investigation
11 into the killings, arrests, and abuse of peaceful polit-
12 ical activists that occurred in the aftermath of the
13 June 12, 2009, presidential election in Iran and
14 prosecuted the individuals responsible for such
15 killings, arrests, and abuse; and
16 (4) has—
17 (A) established an independent judiciary;
18 and
19 (B) is respecting the human rights and
20 basic freedoms recognized in the Universal Dec-
21 laration of Human Rights.
22 **SEC. 206. CLARIFICATION OF SENSITIVE TECHNOLOGIES**
23 **FOR PURPOSES OF PROCUREMENT BAN.**
24 The Secretary of State shall—

1 (1) not later than 90 days after the date of the
2 enactment of this Act, issue guidelines to further de-
3 scribe the goods, services, and technologies that will
4 be considered "sensitive technologies" for purposes
5 of section 106 of the Comprehensive Iran Sanctions,
6 Accountability, and Divestment Act of 2010 (22
7 U.S.C. 8515), and publish those guidelines in the
8 Federal Register;
9 (2) determine the types of goods, services, and
10 technologies that enable any indigenous capabilities
11 that Iran has to disrupt and monitor information
12 and communications in that country, and consider
13 adding descriptions of those items to the guidelines;
14 and
15 (3) periodically review, but in no case less than
16 once each year, the guidelines and, if necessary,
17 amend the guidelines on the basis of technological
18 developments and new information regarding trans-
19 fers of goods, services, and technologies to Iran and
20 the development of Iran's indigenous capabilities to
21 disrupt and monitor information and communica-
22 tions in Iran.

1 **SEC. 207. COMPREHENSIVE STRATEGY TO PROMOTE**
2 **INTERNET FREEDOM AND ACCESS TO INFOR-**
3 **MATION IN IRAN.**

4 (a) IN GENERAL.—Not later than 90 days after the
5 date of the enactment of this Act and annually thereafter,
6 the Secretary of State shall submit to the Committee on
7 Foreign Affairs and the Committee on Appropriations of
8 the House of Representatives and the Committee on For-
9 eign Relations and the Committee on Appropriations of
10 the Senate a comprehensive strategy to—

11 (1) help the people of Iran produce, access, and
12 share information freely and safely via the Internet,
13 including in Farsi and regional languages;

14 (2) support the development of counter-censor-
15 ship technologies that enable the citizens of Iran to
16 undertake Internet activities without interference
17 from the Government of Iran;

18 (3) increase the capabilities and availability of
19 secure mobile communications among human rights
20 and democracy activists in Iran;

21 (4) provide resources for digital safety training
22 for media, unions, and academic and civil society or-
23 ganizations in Iran;

24 (5) increase the amount of accurate Internet
25 content in local languages in Iran;

(6) increase emergency resources for the most vulnerable human rights advocates seeking to organize, share information, and support human rights in Iran;

(7) expand surrogate radio, television, live stream, and social network communications inside Iran;

(8) expand activities to safely assist and train human rights, civil society, and union activists in Iran to operate effectively and securely;

(9) defeat all attempts by the Government of Iran to jam or otherwise deny international satellite broadcasting signals;

(10) expand worldwide United States embassy and consulate programming for and outreach to Iranian dissident communities;

(11) expand access to proxy servers for democracy activists in Iran; and

(12) discourage telecommunication and software companies from facilitating Internet censorship by the Government of Iran.

(b) ELIGIBILITY FOR ASSISTANCE.—Assistance authorized under the comprehensive stategy required under subsection (a) shall be provided only to an individual, organization, or entity that meets the eligibility criteria in

1 section 204(b) of this Act for financial and political assist-
2 ance authorized under section section 204(a) of this Act.
3 (c) FORM.—The comprehensive strategy required
4 under subsection (a) shall be submitted in unclassified
5 form and may include a classified annex.

6 TITLE III—IRAN REGIME AND 7 IRAN'S ISLAMIC REVOLU- 8 TIONARY GUARD CORPS AC- 9 COUNTABILITY

10 SEC. 301. IRAN'S ISLAMIC REVOLUTIONARY GUARD CORPS.

11 (a) TRANSACTIONS WITH IRAN'S ISLAMIC REVOLU-
12 TIONARY GUARD CORPS.—No United States person shall
13 knowingly conduct any commercial transaction or financial
14 transaction with, or make any investment in—
15 (1) any person or entity owned or controlled by
16 Iran's Islamic Revolutionary Guard Corps;
17 (2) any instrumentality, subsidiary, affiliate, or
18 agent of Iran's Islamic Revolutionary Guard Corps;
19 or
20 (3) any project, activity, or business owned or
21 controlled by Iran's Islamic Revolutionary Guard
22 Corps.
23 (b) TRANSACTIONS WITH CERTAIN FOREIGN PER-
24 SONS.—No United States person shall knowingly conduct
25 any commercial transaction or financial transaction with,

1 or make any investment in, any foreign person or foreign
2 entity that conducts any transaction with or makes any
3 investment with Iran's Islamic Revolutionary Guard
4 Corps, which, if conducted or made by a United States
5 person, would constitute a violation of subsection (a).

6 (c) PENALTIES.—Any United States person who vio-
7 lates subsection (a) or (b) shall be subject to 1 or more
8 of the criminal penalties under the authority of section
9 206(c) of the International Emergency Economic Powers
10 Act (50 U.S.C. 1705).

11 (d) WAIVER.—The President is authorized to waive
12 the restrictions in subsection (a) or (b) on a case-by-case
13 basis if the President determines and notfies the appro-
14 priate congressional committees that failure to exercise
15 such waiver authority would pose an unusual and extraor-
16 dinary threat to the national security interests of the
17 United States.

18 (e) AMENDMENTS TO CODE OF FEDERAL REGULA-
19 TIONS.—Not later than 30 days after the date of the en-
20 actment of this Act, the President shall amend part 544
21 of title 31, Code of Federal Regulations ("Weapons of
22 Mass Destruction Proliferators Sanctions Regulations"),
23 to incorporate the provisions of this section.

(f) DEFINITIONS.—In this section, the terms "foreign person", "knowingly", and "United States person" have the meanings given such terms in section 112 of this Act.

SEC. 302. ADDITIONAL EXPORT SANCTIONS AGAINST IRAN.

Notwithstanding section 103(b)(2)(B)(iv) of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (Public Law 111–195; 22 U.S.C. 8512(b)(2)(B)(iv)) or section 1606 of the Iran-Iraq Arms Non-Proliferation Act of 1992 (Public Law 102–484; 50 U.S.C. 1701 note) or any other provision of law, effective on the date of the enactment of this Act—

(1) licenses to export or reexport goods, services, or technology relating to civil aviation of United States origin to Iran may not be issued, and any such license issued before such date of enactment is no longer valid; and

(2) goods, services, or technology described in paragraph (1) may not be exported or reexported.

SEC. 303. SANCTIONS AGAINST AFFILIATES OF IRAN'S ISLAMIC REVOLUTIONARY GUARD CORPS.

(a) IN GENERAL.—Not later than 90 days after the date of the enactment of this Act, and as appropriate thereafter, the President shall identify in, and, in the case of a foreign person or foreign entity not already so designated, shall designate for inclusion in the Annex to Ex-

1 ecutive Order 13382 (70 Fed. Reg. 38567; relating to
2 blocking property of weapons of mass destruction
3 proliferators and their supporters) and shall apply all ap-
4 plicable sanctions of the United States pursuant to Execu-
5 tive Order 13382 to each foreign person or foreign entity
6 for which there is a reasonable basis for determining that
7 the person or entity is as an agent, alias, front, instrumen-
8 tality, official, or affiliate of Iran's Islamic Revolutionary
9 Guard Corps or is an individual serving as a representa-
10 tive of Iran's Islamic Revolutionary Guard Corps.

11 (b) PRIORITY FOR INVESTIGATION.—In carrying out
12 this section, the President shall give priority to inves-
13 tigating foreign persons and foreign entities identified
14 under section 560.304 of title 31, Code of Federal Regula-
15 tions (relating to the definition of the Government of Iran)
16 and foreign persons and foreign entities for which there
17 is a reasonable basis to suspect that the person or entity
18 has conducted or attempted to conduct one or more sen-
19 sitive transactions or activities described in subsection (c).

20 (c) SENSITIVE TRANSACTION OR ACTIVITY.—A sen-
21 sitive transaction or activity referred to in subsection (b)
22 is—

23 (1) a transaction to facilitate the manufacture,
24 import, export, or transfer of items needed for the
25 development of nuclear, chemical, biological, or ad-

1 vanced conventional weapons, including ballistic mis-
2 siles;
3 (2) an attempt to interfere in the internal af-
4 fairs of Iraq or Afghanistan, or equip or train, or
5 encourage violence by, individuals or groups opposed
6 to the governments of those countries;
7 (3) a transaction relating to the manufacture,
8 procurement, or sale of goods, services, and tech-
9 nology relating to Iran's energy sector, including the
10 development of the energy resources of Iran, export
11 of petroleum products, and import of refined petro-
12 leum and refining capacity available to Iran;
13 (4) a transaction relating to the procurement of
14 sensitive technologies (as defined in section 106(c) of
15 the Comprehensive Iran Sanctions, Accountability,
16 and Divestment Act of 2010 (Public Law 111–195;
17 22 U.S.C. 8515(c)); or
18 (5) a financial transaction or series of trans-
19 actions valued at more than $1,000,000 in the ag-
20 gregate in any 12-month period involving a non-Ira-
21 nian financial institution.
22 (d) INADMISSIBILITY TO UNITED STATES.—The Sec-
23 retary of State shall deny a visa to, and the Secretary of
24 Homeland Security shall deny admission into the United
25 States to, any alien who, on or after the date of the enact-

1 ment of this Act, is a foreign person designated for inclu-
2 sion in the Annex to Executive Order 13382 pursuant to
3 subsection (a).

4 (e) RULE OF CONSTRUCTION.—Nothing in this sec-
5 tion shall be construed to remove any sanction of the
6 United States in force against Iran's Islamic Revolu-
7 tionary Guard Corps as of the date of the enactment of
8 this Act by reason of the fact that Iran's Islamic Revolu-
9 tionary Guard Corps is an entity of the Government of
10 Iran.

11 **SEC. 304. MEASURES AGAINST FOREIGN PERSONS OR ENTI-**
12 **TIES SUPPORTING IRAN'S ISLAMIC REVOLU-**
13 **TIONARY GUARD CORPS.**

14 (a) IDENTIFICATION AND NOTIFICATION.—The
15 President shall notify the appropriate congressional com-
16 mittees in any case in which the President determines that
17 there is credible information indicating that a foreign per-
18 son or foreign entity, on or after the date of the enactment
19 of this Act, knowingly—

20 (1) provides material support to Iran's Islamic
21 Revolutionary Guard Corps or any person or entity
22 that identified pursuant to section 201(a) of this Act
23 as an agent, alias, front, instrumentality, official, or
24 affiliate of Iran's Islamic Revolutionary Guard Corps

or an individual serving as a representative of Iran's Islamic Revolutionary Guard Corps; or

(2) conducts any commercial transaction or financial transaction with Iran's Islamic Revolutionary Guard Corps or any such person or entity.

(b) WAIVER.—

(1) IN GENERAL.—Notwithstanding any other provision of this title and subject to paragraph (2), the President is not required to make any identification or designation of or determination with respect to a foreign person or foreign entity for purposes of this title if doing so would cause damage to the national security of the United States through the divulgence of sources and methods of intelligence or other critical classified information.

(2) NOTICE TO CONGRESS.—The President shall notify Congress of any exercise of the authority of paragraph (1) and shall include in the notification an identification of the foreign person or foreign entity, including a description of the activity or transaction that would have caused the identification, designation, or determination for purposes of this title.

(c) SANCTIONS.—

(1) IN GENERAL.—The President shall apply to each foreign person or foreign entity identified in a

notice under subsection (a) for a period determined by the President a majority of the sanctions described in section 106(a) of this Act.

(2) TERMINATION.—The President may terminate the sanctions applied to a foreign person or foreign entity pursuant to paragraph (1) if the President determines that the person or entity no longer engages in the activity or activities for which the sanctions were imposed and has provided assurances to the United States Government that it will not engage in the activity or activities in the future.

(d) IEEPA SANCTIONS.—The President may exercise the authorities provided under section 203(a) of the International Emergency Economic Powers Act (50 U.S.C. 1702(a)) to impose additional sanctions on each foreign person or foreign entity identified pursuant to subsection (a), for such time as the President may determine, without regard to section 202 of that Act.

(e) WAIVER.—The President may waive the application of any measure described in subsection (c) with respect to a foreign person or foreign entity if the President—

(1)(A) determines that the person or entity has ceased the activity that resulted in the notification under subsection (a) with respect to the person or

1 entity (as the case may be) and has taken measures
2 to prevent its recurrence; or
3 (B) determines and so reports to the appro-
4 priate congressional committees 15 days prior to the
5 exercise of waiver authority that failure to exercise
6 such waiver authority would pose an unusual and ex-
7 traordinary threat to the vital national security in-
8 terests of the United States; and
9 (2) submits to the appropriate congressional
10 committees a report that contains the reasons for
11 the determination.
12 (f) FOREIGN PERSON DEFINED.—In this section, the
13 term "foreign person" has the meaning given the term in
14 section 112 of this Act.

15 **SEC. 305. SPECIAL MEASURES AGAINST FOREIGN COUN-**
16 **TRIES SUPPORTING IRAN'S ISLAMIC REVOLU-**
17 **TIONARY GUARD CORPS.**

18 (a) SANCTIONS.—With respect to any foreign entity
19 identified pursuant to section 304(a) of this Act that is
20 an agency of the government of a foreign country, the
21 President shall, in addition to applying to the entity the
22 sanctions described in section 304(c) of this Act, apply
23 to the agency of the government of the foreign country
24 the following measures:

1 (1) No assistance shall be provided to the agen-
2 cy of the government of the foreign country under
3 the Foreign Assistance Act of 1961, or any suc-
4 cessor Act, or the Arms Export Control Act, or any
5 successor Act, other than assistance that is intended
6 to benefit the people of the foreign country directly
7 and that is not provided through governmental agen-
8 cies or entities of the foreign country.
9 (2) The United States shall oppose any loan or
10 financial or technical assistance to the agency of the
11 government of the foreign country by international
12 financial institutions in accordance with section 701
13 of the International Financial Institutions Act (22
14 U.S.C. 262d).
15 (3) The United States shall deny to the agency
16 of the government of the foreign country any credit
17 or financial assistance by any department, agency,
18 or instrumentality of the United States Government.
19 (4) The United States Government shall not
20 approve the sale to the agency of the government of
21 the foreign country any defense articles or defense
22 services or issue any license for the export of items
23 on the United States Munitions List.
24 (5) No exports to the agency of the government
25 of the foreign country shall be permitted of any

goods or technologies controlled for national security reasons under the Export Administration Regulations.

(6) Restrictions shall be imposed on the importation into the United States of articles that are the growth, product, or manufacture of the agency of the government of the foreign country.

(7) At the earliest practicable date, the Secretary of State shall terminate, in a manner consistent with international law, the authority of any air carrier that is controlled in fact by the agency of the government of the foreign country to engage in air transportation (as defined in section 40102(5) of title 49, United States Code).

(b) TERMINATION.—The President may terminate the sanctions applied to an entity or government of a foreign country pursuant to subsection (a) if the President determines that the entity or government, as the case may be, no longer engages in the activity or activities for which the sanctions were imposed and has provided assurances to the United States Government that it will not engage in the activity or activities in the future.

(c) WAIVER.—The President may waive the application of any measure described in subsection (a) with re-

spect to an entity or government of a foreign country if the President—

(1)(A) determines that the entity or government, as the case may be, has ceased the activity that resulted in the notification under section 304(a) of this Act with respect to the entity or government and has taken measures to prevent its recurrence; or

(B) determines and so reports to the appropriate congressional committees 15 days prior to the exercise of waiver authority that failure to exercise such waiver authority would pose an unusual and extraordinary threat to the vital national security interests of the United States; and

(2) submits to the appropriate congressional committees a report that contains the reasons for the determination.

SEC. 306. AUTHORITY OF STATE AND LOCAL GOVERNMENTS TO RESTRICT CONTRACTS OR LICENSES FOR CERTAIN SANCTIONABLE PERSONS.

Notwithstanding any other provision of law, a State or local government may adopt and enforce measures to prohibit the State or local government, as the case may be, from entering into or renewing any contract with, or granting to or renewing any license for persons that con-

1 duct business operations in Iran described in section 310
2 of this Act.

3 **SEC. 307. IRANIAN ACTIVITIES IN IRAQ AND AFGHANISTAN.**

4 (a) FREEZING OF ASSETS.—In accordance with sub-
5 section (b), all property and interests in property of the
6 foreign persons described in Executive Orders 13382 and
7 13224, or their affiliates, that are in the United States,
8 that on or after the date of the enactment of this Act come
9 within the United States, or that on or after the date of
10 the enactment of this Act come within the possession or
11 control of United States persons, are blocked and may not
12 be transferred, paid, exported, withdrawn, or otherwise
13 dealt in with respect to any such person determined by
14 the Secretary of State, in consultation with the Secretary
15 of the Treasury and the Secretary of Defense to—

16 (1) have committed, or to pose a significant
17 risk of committing, an act or acts of violence that
18 have the purpose or effect of threatening United
19 States efforts to promote security and stability in
20 Iraq and Afghanistan;

21 (2) have knowingly and materially assisted,
22 sponsored, or provided financial, material, logistical,
23 or technical support for, or goods or services in sup-
24 port of, such an act or acts of violence or any person

or entity whose property and interests in property are blocked pursuant this subsection; or

(3) be owned or controlled by, or to have acted or purported to act for or on behalf of any person whose property and interests in property are blocked pursuant to this subsection.

(b) DESCRIPTION OF PROHIBITIONS.—The prohibitions described in subsection (a) include—

(1) the making of any contribution or provision of funds, goods, or services by, to, or for the benefit of any person whose property and interests in property are blocked; and

(2) the receipt of any contribution or provision of funds, goods, or services from any such person.

(c) STATEMENT OF POLICY.—An increase in both the quantity and quality of Iranian arms shipments and technological expertise to the Iraqi insurgents, the Taliban, other terrorist organizations, and criminal elements has the potential to significantly change the battlefield in both Iraq and Afghanistan, and lead to a large increase in United States, International Security Assistance Force, Coalition, and Iraqi and Afghan casualties.

(d) DEFINITIONS.—In this section, the terms "foreign person" and "United States person" have the meanings given such terms in section 112 of this Act.

1 **SEC. 308. UNITED STATES POLICY TOWARD IRAN.**

2 (a) NATIONAL STRATEGY REQUIRED.—The Presi-
3 dent shall develop a strategy, to be known as the ''Na-
4 tional Strategy to Counter Iran'', that provides strategic
5 guidance for activities that support the objective of ad-
6 dressing, countering, and containing the threats posed by
7 Iran.

8 (b) ANNUAL REPORT.—

9 (1) IN GENERAL.—Not later than January 30
10 of each year, the President shall transmit to the ap-
11 propriate congressional committees a report on the
12 current and future strategy of the United States to-
13 ward Iran, and the implementation of the National
14 Strategy to Counter Iran required under subsection
15 (a).

16 (2) FORM.—If the President considers it appro-
17 priate, the report required under this subsection, or
18 appropriate parts thereof, may be transmitted in
19 classified form.

20 (c) MATTERS TO BE INCLUDED.—The report re-
21 quired under subsection (b) shall include a description of
22 the security posture and objectives of Iran, including at
23 least the following:

24 (1) A description and assessment of Iranian
25 grand strategy and security strategy, including—

1 (A) the goals of Iran's grand strategy and
2 security strategy, and strategic objectives; and
3 (B) Iranian strategy to achieve such objec-
4 tives in the Middle East, Europe, Africa, West-
5 ern Hemisphere, and Asia.
6 (2) An assessment of the capabilities of Iran's
7 conventional forces and Iran's unconventional forces,
8 including—
9 (A) the size and capabilities of Iran's con-
10 ventional forces and Iran's unconventional
11 forces;
12 (B) an analysis of the formal and informal
13 national command authority for Iran's conven-
14 tional forces and Iran's unconventional forces;
15 (C) the size and capability of Iranian for-
16 eign and domestic intelligence and special oper-
17 ations units, including the Iranian Revolu-
18 tionary Guard Corps-Quds Force;
19 (D) a description and analysis of Iranian
20 military doctrine;
21 (E) the types and amount of support, in-
22 cluding funding, lethal and nonlethal supplies,
23 and training, provided to groups designated by
24 the United States as foreign terrorist organiza-
25 tions and regional militant groups; and

(F) an estimate of the levels of funding and funding and procurement sources by Iran to develop and support Iran's conventional forces and Iran's unconventional forces.

(3) An assessment of Iranian strategy and capabilities related to nuclear, unconventional, and missile forces development, including—

(A) a summary and analysis of nuclear weapons capabilities;

(B) an estimate of the amount and sources of funding expended by, and an analysis of procurement networks utilized by, Iran to develop its nuclear weapons capabilities;

(C) a summary of the capabilities of Iran's unconventional weapons and Iran's ballistic missile forces and Iran's cruise missile forces, including developments in the preceding year, the size of Iran's ballistic missile forces and Iran's cruise missile forces, and the locations of missile launch sites;

(D) a detailed analysis of the effectiveness of Iran's unconventional weapons and Iran's ballistic missile forces and Iran's cruise missile forces; and

(E) an estimate of the amount and sources of funding expended by, and an analysis of procurement networks utilized by, Iran on programs to develop a capability to develop unconventional weapons and Iran's ballistic missile forces and Iran's cruise missile forces.

(4) The Government of Iran's economic strategy, including—

(A) sources of funding for the activities of the Government of Iran described in this section;

(B) the role of the Government of Iran in the formal and informal sector of the domestic Iranian economy;

(C) evasive and other efforts by the Government of Iran to circumvent international and bilateral sanctions regimes;

(D) the effect of bilateral and multilateral sanctions on the ability of Iran to implement its grand strategy and security strategy described in paragraph (1); and

(E) Iran's strategy and efforts to leverage economic and political influence, cooperation, and activities in the Middle East Europe, Africa, Western Hemisphere, and Asia.

(5) Key vulnerabilities identified in paragraph (1), and an implementation plan for the National Strategy to Counter Iran required under subsection (a).

(6) The United States strategy to—

(A) address and counter the capabilities of Iran's conventional forces and Iran's unconventional forces;

(B) disrupt and deny Iranian efforts to develop or augment capabilities related to nuclear, unconventional, and missile forces development;

(C) address the Government of Iran's economic strategy to enable the objectives described in this subsection; and

(D) exploit key vulnerabilities identified in this subsection.

(7) An implementation plan for United States strategy described in under paragraph (6).

(d) CLASSIFIED ANNEX.—The reports required under subsection (b) shall be in unclassified form to the greatest extent possible, and may include a classified annex where necessary.

SEC. 309. DEFINITIONS.

In this title:

(1) APPROPRIATE CONGRESSIONAL COMMITTEES.—The term "appropriate congressional committees" means—

(A) the Committee on Foreign Affairs, the Committee on Armed Services, the Committee on Appropriations, and the Permanent Select Committee on Intelligence of the House of Representatives; and

(B) the Committee on Foreign Relations, the Committee on Armed Services, the Committee on Appropriations, and the Permanent Select Committee on Intelligence of the Senate.

(2) IRAN'S BALLISTIC MISSILE FORCES.—The term "Iran's ballistic missile forces" includes ballistic missiles, goods, and associated equipment and those elements of the Government of Iran that employ such ballistic missiles, goods, and associated equipment.

(3) IRAN'S BALLISTIC MISSILE AND UNCONVENTIONAL WEAPONS.—The term "Iran's ballistic missile and unconventional weapons" means Iran's ballistic missile forces and chemical, biological, and radiological weapons programs.

(4) IRAN'S CRUISE MISSILE FORCES.—The term "Iran's cruise missile forces" includes cruise missile

1 forces, goods, and associated equipment and those
2 elements of the Government of Iran that employ
3 such cruise missiles capable of flights less than 500
4 kilometers, goods, and associated equipment.
5 (5) IRAN'S CONVENTIONAL FORCES.—The term
6 "Iran's conventional forces"—
7 (A) means military forces of Iran designed
8 to conduct operations on sea, air, or land, other
9 than Iran's unconventional forces and Iran's
10 ballistic missile forces and Iran's cruise missile
11 forces; and
12 (B) includes Iran's Army, Air Force, Navy,
13 domestic law enforcement, and elements of the
14 Iran's Islamic Revolutionary Guard Corps,
15 other than Iran's Islamic Revolutionary Guard
16 Corps-Quds Force.
17 (6) IRAN'S UNCONVENTIONAL FORCES.—The
18 term "Iran's unconventional forces"—
19 (A) means forces of Iran that carry out
20 missions typically associated with special oper-
21 ations forces; and
22 (B) includes—
23 (i) the Iran's Islamic Revolutionary
24 Guard Corps-Quds Force;
25 (ii) paramilitary organizations;

1 (iii) formal and informal intelligence
2 agencies and entities; and
3 (iv) any organization that—
4 (I) has been designated as a for-
5 eign terrorist organization under sec-
6 tion 219(a) of the Immigration and
7 Nationality Act (8 U.S.C. 1189(a));
8 (II) receives assistance from
9 Iran; and
10 (III) is assessed—
11 (aa) as being willing in some
12 or all cases of carrying out at-
13 tacks on behalf of Iran; or
14 (bb) as likely to carry out
15 attacks in response to an attack
16 by another country on Iran or its
17 interests.
18 (7) AFFILIATE.—The term "affiliate" means
19 any individual or entity that controls, is controlled
20 by, or is under common control with, the company,
21 including without limitation direct and indirect sub-
22 sidiaries of the company.
23 (8) BUSINESS OPERATIONS.—The term "busi-
24 ness operations" means—

(A) carrying out any of the activities described in section 105(a) and (b) of this Act that are sanctionable under such section;

(B) providing sensitive technology (as defined in section 106(c) of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (Public Law 111–195; 22 U.S.C. 8515(c))) to the Government of Iran; and

(C) carrying out any of the activities described in section 304(a) of this Act .

(9) COMPANY.—The term "company" means—

(A) a sole proprietorship, organization, association, corporation, partnership, limited liability company, venture, or other entity, its subsidiary or affiliate; and

(B) includes a company owned or controlled by the government of a foreign country, that is established or organized under the laws of, or has its principal place of business in, such foreign country and includes United States subsidiaries of the same.

(10) ENTITY.—The term "entity" means a sole proprietorship, a partnership, limited liability corporation, association, trust, joint venture, corporation, or other organization.

1 (11) EXECUTIVE AGENCY.—The term "execu-
2 tive agency" has the meaning given the term in sec-
3 tion 133 of title 41, United States Code.
4 (12) FEDERAL FUNDS.—The term "Federal
5 funds" means a sum of money or other resources de-
6 rived from United States taxpayers, which the
7 United States Government may provide to compa-
8 nies through government grants or loans, or through
9 the terms of a contract with the Federal Govern-
10 ment, or through the Emergency Economic Sta-
11 bilization Act of 2008 "Troubled Asset Relief Pro-
12 gram" or other similar and related transaction vehi-
13 cles, including a grant, loan, or loan guarantee, the
14 provision of insurance or reinsurance, or the provi-
15 sion of technical assistance.
16 (13) GOVERNMENT OF IRAN.—The term "Gov-
17 ernment of Iran" includes the Government of Iran,
18 any political subdivision, agency, or instrumentality
19 thereof, and any person owned or controlled by, or
20 acting for or on behalf of, the Government of Iran.
21 (14) PETROLEUM RESOURCES.—The term "pe-
22 troleum resources" has the meaning given the term
23 in section 112 of this Act.
24 (15) SENSITIVE TECHNOLOGY.—The term
25 "sensitive technology" has the meaning given the

term in section 106(c) of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (Public Law 111–195; 22 U.S.C. 8515(c)).

SEC. 310. RULE OF CONSTRUCTION.

Nothing in this title shall be construed to limit the authority of the President to otherwise designate foreign persons or foreign entities for inclusion in the Annex to Executive Order 13382 (70 Fed. Reg. 38567; relating to blocking property of weapons of mass destruction proliferators and their supporters).

TITLE IV—IRAN FINANCIAL SANCTIONS; DIVESTMENT FROM CERTAIN COMPANIES THAT INVEST IN IRAN; AND PREVENTION OF DIVERSION OF CERTAIN GOODS, SERVICES, AND TECHNOLOGIES TO IRAN

SEC. 401. IRAN FINANCIAL SANCTIONS.

(a) FINANCIAL INSTITUTION CERTIFICATION.—Section 104(e) of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (Public Law 111–195; 22 U.S.C. 8513(e)) is amended by adding at the end the following new paragraph:

"(3) CERTIFICATION.—Not later than 90 days after the date of the enactment of this paragraph, the Secretary of the Treasury shall prescribe regulations to require any person owned or controlled by a domestic financial institution to provide positive certification to the Secretary that such person is not engaged in corresponding relations or business activity with a foreign person or financial institution that facilitates transactions from persons and domestic financial institutions described in subsection (d).".

(b) REPORT ON THE ACTIVITIES OF THE CENTRAL BANK OF IRAN.—Section 104 of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 is amended—

(1) by redesignating subsection (i) as subsection (j); and

(2) by inserting after subsection (h) the following new subsection:

"(i) REPORT ON THE ACTIVITIES OF THE CENTRAL BANK OF IRAN.—

"(1) IN GENERAL.—Not later than 90 days after the date of the enactment of this subsection and annually thereafter, the Secretary of State, in consultation with the Secretary of the Treasury, shall submit to Congress a report on how the activi-

ties of the Central Bank of Iran facilitate Iran's efforts to acquire nuclear weapons capabilities, unconventional weapons and ballistic and cruise missile development, and activities as a designated state sponsor of terrorism.

"(2) FORM.—The reports required under this subsection shall be submitted in unclassified form and may contain a classified annex.".

(c) CONTINUATION IN EFFECT.—Sections 104, 106, 107, 108, 109, 110, 111, and 115 of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 shall remain in effect until the President makes the certification described in section 606(a) of this Act.

SEC. 402. DIVESTMENT FROM CERTAIN COMPANIES THAT INVEST IN IRAN.

Title II of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 shall remain in effect until the President makes the certification described in section 606(a) of this Act.

SEC. 403. PREVENTION OF DIVERSION OF CERTAIN GOODS, SERVICES, AND TECHNOLOGIES TO IRAN.

Title III of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 shall remain in effect until the President makes the certification described in section 606(a) of this Act.

TITLE V—SECURITIES AND EXCHANGE COMMISSION

SEC. 501. DISCLOSURES TO THE SECURITIES AND EXCHANGE COMMISSION RELATING TO SANCTIONABLE ACTIVITIES.

(a) IN GENERAL.—Section 13 of the Securities Exchange Act of 1934 (15 U.S.C. 78m) is amended by adding at the end the following new subsection:

"(r) DISCLOSURE OF CERTAIN ACTIVITIES RELATING TO IRAN, TERRORISM, AND THE PROLIFERATION OF WEAPONS OF MASS DESTRUCTION.—

"(1) GENERAL DISCLOSURE REQUIRED.—Each issuer required to file an annual or quarterly report under subsection (a) shall include with such report a statement of whether, during the period since the issuer made the last such report, the issuer or any affiliate of the issuer—

"(A) engaged in an activity described in section 105 of the Iran Threat Reduction Act of 2011;

"(B) knowingly engaged in an activity described in subsection (c)(2) of section 104 of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (Public Law 111–195; 22 U.S.C. 8513) or knowingly

1 violated regulations prescribed under subsection
2 (d)(1) or (e)(1) of such section 104; or
3 "(C) knowingly conducted any transaction
4 or dealing with—
5 "(i) any person the property and in-
6 terests in property of which are blocked
7 pursuant to Executive Order 13224 (66
8 Fed. Reg. 49079; relating to blocking
9 property and prohibiting transacting with
10 persons who commit, threaten to commit,
11 or support terrorism);
12 "(ii) any person the property and in-
13 terests in property of which are blocked
14 pursuant to Executive Order 13382 (70
15 Fed. Reg. 38567; relating to blocking of
16 property of weapons of mass destruction
17 proliferators and their supporters); or
18 "(iii) any person on the list contained
19 in Appendix A to part 560 of title 31,
20 Code of Federal Regulations (commonly
21 known as the 'Iranian Transactions Regu-
22 lations').
23 "(2) SPECIFIC DISCLOSURE REQUIRED.—If an
24 issuer reports under paragraph (1) that the issuer or
25 an affiliate of the issuer has engaged in any activity

1 described in that paragraph, the issuer shall include
2 with the statement required under that paragraph a
3 detailed description of each such activity, includ-
4 ing—
5 "(A) the nature and extent of the activity;
6 "(B) the revenues and profits, if any, at-
7 tributable to the activity; and
8 "(C) whether the issuer or the affiliate of
9 the issuer (as the case may be) intends to con-
10 tinue the activity.
11 "(3) INVESTIGATION OF DISCLOSURES.—When
12 the Commission receives a report under paragraph
13 (1) from an issuer that the issuer or an affiliate of
14 the issuer has engaged in any activity described in
15 that paragraph, the President shall—
16 "(A) initiate an investigation into the pos-
17 sible imposition of sanctions under the Iran
18 Threat Reduction Act of 2011, section 104 of
19 the Comprehensive Iran Sanctions, Account-
20 ability, and Divestment Act of 2010 (22 U.S.C.
21 8513), the Executive Orders or regulations
22 specified in paragraph (1)(C), or any other pro-
23 vision of law; and
24 "(B) not later than 180 days after initi-
25 ating such an investigation, make a determina-

1 tion with respect to whether sanctions should be
2 imposed with respect to the issuer or the affil-
3 iate of the issuer (as the case may be).
4 "(4) PUBLIC DISCLOSURE OF INFORMATION.—
5 The Commission shall promptly—
6 "(A) make the information provided to the
7 Commission under paragraphs (1) and (2)
8 available to the public by posting the informa-
9 tion on the Internet Web site of the Commis-
10 sion; and
11 "(B) provide a copy of that information
12 to—
13 "(i) the President;
14 "(ii) the Committee on Foreign Af-
15 fairs and the Committee on Financial
16 Services of the House of Representatives;
17 and
18 "(iii) the Committee on Foreign Rela-
19 tions and the Committee on Banking,
20 Housing, and Urban Affairs of the Senate.
21 "(5) SUNSET.—The provisions of this sub-
22 section shall terminate on the date that is 30 days
23 after the date on which the President makes the cer-
24 tification described in section 401(a) of the Com-

1 prehensive Iran Sanctions, Accountability, and Di-
2 vestment Act of 2010 (22 U.S.C. 8551(a)).".
3 (b) EFFECTIVE DATE.—The amendment made by
4 subsection (a) shall take effect with respect to reports re-
5 quired to be filed with the Securities and Exchange Com-
6 mission after the date that is 90 days after the date of
7 the enactment of this Act.

8 TITLE VI—GENERAL 9 PROVISIONS

10 SEC. 601. DENIAL OF VISAS FOR CERTAIN PERSONS OF THE 11 GOVERNMENT OF IRAN.

12 (a) IN GENERAL.—Except as necessary to meet
13 United States obligations under the Agreement between
14 the United Nations and the United States of America re-
15 garding the Headquarters of the United Nations, signed
16 June 26, 1947, and entered into force November 21,
17 1947, and other applicable international treaty obliga-
18 tions, the Secretary of State shall deny a visa to, and the
19 Secretary of Homeland Security shall deny admission into
20 the United States to, a person of the Government of Iran
21 pursuant to section 6(j)(1)(A) of the Export Administra-
22 tion Act of 1979 (as in effect pursuant to the Inter-
23 national Emergency Economic Powers Act; 50 U.S.C.
24 1701 et seq.), section 40(d) of the Arms Export Control
25 Act (22 U.S.C. 2780(d)), and section 620A of the Foreign

1 Assistance Act of 1961 (22 U.S.C. 2371), including a per-
2 son who is a senior official of the Government of Iran who
3 is specified in the list under section 205(a)(1), if the Sec-
4 retary determines that such person—
5 (1) is an agent, instrumentality, or official of,
6 is affiliated with, or is serving as a representative of
7 the Government of Iran; and
8 (2) presents a threat to the United States or is
9 affiliated with terrorist organizations.
10 (b) RESTRICTION ON MOVEMENT.—The Secretary of
11 State shall restrict in Washington, D.C., and at the
12 United Nations in New York City, the travel to only within
13 a 25-mile radius of Washington, D.C., or the United Na-
14 tions headquarters building, respectively, of any person
15 identified in subsection (a).
16 (c) RESTRICTION ON CONTACT.—No person em-
17 ployed with the United States Government may contact
18 in an official or unofficial capacity any person that—
19 (1) is an agent, instrumentality, or official of,
20 is affiliated with, or is serving as a representative of
21 the Government of Iran; and
22 (2) presents a threat to the United States or is
23 affiliated with terrorist organizations.
24 (d) WAIVER.—The President may waive the require-
25 ments of subsection (c) if the President determines and

1 so reports to the appropriate congressional committees 15
2 days prior to the exercise of waiver authority that failure
3 to exercise such waiver authority would pose an unusual
4 and extraordinary threat to the vital national security in-
5 terests of the United States.

6 **SEC. 602. INADMISSIBILITY OF CERTAIN ALIENS WHO EN-**
7 **GAGE IN CERTAIN ACTIVITIES WITH RESPECT**
8 **TO IRAN.**

9 (a) IN GENERAL.—Section 212(a)(3) of the Immi-
10 gration and Nationality Act (8 U.S.C. 1182(a)(3)) is
11 amended by adding at the end the following:

12 "(H) INDIVIDUALS WHO ENGAGE IN CER-
13 TAIN ACTIVITIES WITH RESPECT TO IRAN.—

14 "(i) IN GENERAL.—Subject to clause
15 (iii), any alien described in clause (ii) is in-
16 admissible.

17 "(ii) ALIENS DESCRIBED.—An alien
18 described in this clause is an alien who the
19 Secretary of State determines—

20 "(I) engages in—

21 "(aa) an activity for which
22 sanctions may be imposed pursu-
23 ant to section 105(a) of the Iran
24 Threat Reduction Act of 2011;

25 "(bb) an activity—

1 "(AA) relating to the
2 proliferation by Iran of
3 weapons of mass destruction
4 or the means of delivery of
5 such weapons; and
6 "(BB) for which sanc-
7 tions may be imposed pursu-
8 ant to Executive Order
9 13382 (70 Fed. Reg. 38567)
10 (or any successor thereto);
11 "(cc) an activity—
12 "(AA) relating to sup-
13 port for international ter-
14 rorism by the Government of
15 Iran; and
16 "(BB) for which sanc-
17 tions may be imposed pursu-
18 ant to Executive Order
19 13224 (66 Fed. Reg. 49079)
20 (or any successor thereto);
21 or
22 "(dd) any other activity with
23 respect to Iran for which sanc-
24 tions may be imposed pursuant
25 to any other provision of law;

"(II) is the chief executive officer, president, or other individual in charge of overall management of, a member of the board of directors of, or a shareholder with a controlling interest in, an entity that engages in an activity described in subclause (I); or

"(III) is a spouse or minor child of—

"(aa) an alien who engages in an activity described in subclause (I); or

"(bb) the chief executive officer, president, or other individual in charge of overall management of, a member of the board of directors of, or a shareholder with a controlling interest in, an entity that engages in an activity described in subclause (I).

"(iii) NOTICE; WAIVER WITH RESPECT TO CERTAIN ENTITIES.—

"(I) NOTICE.—The Secretary of State may notify an alien the Sec-

1 retary determines may be inadmissible
2 under this subparagraph—
3 "(aa) that the alien may be
4 inadmissible; and
5 "(bb) of the reason for the
6 inadmissibility of the alien.
7 "(II) WAIVER.—The President
8 may waive the application of this sub-
9 paragraph and admit an alien to the
10 United States if—
11 "(aa) the alien is described
12 in subclause (II) or (III)(bb) of
13 clause (ii);
14 "(bb) the entity that en-
15 gaged in the activity that would
16 otherwise result in the inadmis-
17 sibility of the alien under this
18 subparagraph is no longer engag-
19 ing the activity or has taken sig-
20 nificant steps toward stopping
21 the activity; and
22 "(cc) the President has re-
23 ceived reliable assurances that
24 the entity will not knowingly en-

gage in an activity described in clause (ii)(I) again.''.

(b) REGULATIONS.—Section 428 of the Homeland Security Act of 2002 (6 U.S.C. 236) is amended by adding at the end the following:

''(j) REGULATIONS WITH RESPECT TO INADMISSIBILITY OF ALIENS WHO ENGAGE IN CERTAIN TRANSACTIONS WITH IRAN.—Not later than 180 days after the date of the enactment of this subsection, the Secretary shall issue regulations and guidelines for interpreting and enforcing the prohibition under subparagraph (H) of section 212(a)(3) of the Immigration and Nationality Act (8 U.S.C. 1182(a)(3)) on the admissibility of aliens who engage in certain sanctionable activities with respect to Iran.''.

SEC. 603. AMENDMENTS TO CIVIL AND CRIMINAL PENALTIES PROVISIONS UNDER THE INTERNATIONAL EMERGENCY ECONOMIC POWERS ACT.

(a) IN GENERAL.—Section 206 of the International Emergency Economic Powers Act (50 U.S.C. 1705) is amended—

(1) in subsection (a), by striking ''attempt to violate, conspire to violate'' and inserting ''attempt or conspire to violate'';

(2) in subsection (b), by striking "not to exceed" and all that follows and inserting "that is twice the value of the transaction that is the basis of the violation."; and

(3) in subsection (c) to read as follows:

"(c) CRIMINAL PENALTIES.—A person who willfully commits, attempts or conspires to commit, or aids or abets in the commission of, an unlawful act described in subsection (a) shall be fined not less than $1,000,000, imprisoned for not more than 20 years, or both. A person other than a natural person shall be fined in an amount not less than the greater of half of the value of the transaction that is the basis of the violation or $10,000,000.".

(b) EFFECTIVE DATE.—The amendments made by this section take effect on the date of the enactment of this Act and apply with respect to any violation of section 206(a) of the International Emergency Economic Powers Act (50 U.S.C. 1705(a)) that occurs on or after such date of enactment.

SEC. 604. EXCLUSION OF CERTAIN ACTIVITIES.

Nothing in this Act or any amendment made by this Act shall apply to any activities subject to the reporting requirements of title V of the National Security Act of 1947.

SEC. 605. REGULATORY AUTHORITY.

(a) IN GENERAL.—The President shall, not later than 90 days after the date of the enactment of this Act, promulgate regulations as necessary for the implementation of this Act and the amendments made by this Act.

(b) CONSULTATION WITH CONGRESS.—Not less than 10 days prior to the promulgation of regulations under subsection (a), the President shall notify the appropriate congressional committees of the proposed regulations and the provisions of this Act and the amendments made by this Act that the regulations are implementing.

SEC. 606. SUNSET.

(a) SUNSET.—The provisions of this Act and the amendments made by this Act shall terminate, and shall cease to be effective, on the date that is 30 days after the date on which the President certifies to Congress that Iran—

(1) has ceased and verifiably dismantled its efforts to design, develop, manufacture, or acquire—

(A) a nuclear explosive device or related materials and technology;

(B) chemical and biological weapons; and

(C) ballistic missiles and ballistic missile launch technology;

(2) no longer provides support for acts of international terrorism; and

1 (3) poses no threat to United States national
2 security, interests, or allies.
3 (b) NOTIFICATION.—The President shall notify the
4 Committee on Foreign Affairs of the House of Representa-
5 tives and the Committee on Foreign Relations of the Sen-
6 ate not later than 15 days before making a certification
7 described in subsection (a).

Chairman ROS-LEHTINEN. I will now recognize myself for brief remarks on this measure, followed by the ranking member and then other members seeking recognition.

Today, the committee is marking up legislation to address the threat posed by the Iranian regime to our Nation, to our interests, and our allies. One Congress after another have passed Iran sanctions bills only to see them progressively weakened during the legislative process, or not fully enforced by the executive branch. Some might wonder if it is worth doing at all.

Well, yesterday, speaking in the so-called Iranian Parliament, the so-called President, Mahmoud Ahmadinejad, publicly admitted that sanctions against Iran were impacting his financial institutions, stating, "Our banks cannot make international transactions anymore." But there is much more to be done. We must move quickly to tighten existing sanctions and add new and tougher ones, as we are going to do today.

The Iranian regime's Achilles heel is its energy sector. As far back as 1995, former Under Secretary of State Peter Tarnoff stated, "A straight line links Iran's oil income and its ability to sponsor terrorism and build weapons of mass destruction . . . and any private company that helps Iran expand its oil [sector] must accept that it is indirectly contributing to this menace."

The Iran Threat Reduction Act is designed to clamp new and tougher sanctions on Iran's energy sector, threatening the regime's existence if it refuses to halt its nuclear weapons program.

Negotiations and concessions after concessions to the regime have only been met with contempt. For 15 years, foreign energy companies have continued to provide, through their investments in Iran's energy sector, the financial resources for the regime to continue to pursue its nuclear ambitions, its chemical and biological weapons program, and its sponsorship of international terrorism.

Fifteen years of pleading, 15 years of concessions have only allowed the Iranian threat to steadily build. In its report earlier this

year, the International Atomic Energy Agency all but stated outright that the evidence indicates that Iran is working on a nuclear weapons capability. We have wasted years, we have watched the threat develop, and now we must act before time runs out.

I am happy to say that H.R. 1905 has 343 cosponsors from both sides of the aisle, including most members of this committee. Given that you are familiar with the introduced bill, I will briefly note some of the provisions of the amendment in the nature of a substitute.

The amendment in the nature of a substitute amends Title I of the bill by including a requirement that all entities currently granted an exemption under the special rule terminate their activities 1 year from the date of the enactment; also, adding bartering to the list of prohibited services related to Iran's importation of refined petroleum; and requiring the President to impose sanctions on any person who purchases, subscribes to, or facilitates the issuance of Iranian sovereign debt.

The changes to Title II include requiring the Secretary of State to issue guidelines describing goods, services, and technologies considered as sensitive technologies; and expanding the definition of "foreign subsidiary" in existing Executive orders.

The amendment in the nature of a substitute sharpens Title III's intended impact on the Iranian Islamic Revolutionary Guard Corps, or IRGC, by adding prohibitions on conducting commercial or financial transactions or investment in entities controlled by the IRGC, sanctions against affiliates of the IRGC, and measures targeting foreign persons, entities, and foreign countries aiding the IRGC.

Finally, Title VI is strengthened by prohibiting foreigners who engage in certain activities with respect to Iran from entering the U.S. and increasing the civil and criminal penalties under the International Emergency Economic Powers Act.

Following the markup, I will seek speedy consideration of this legislation on the House floor. I hope that the Senate will act with similar urgency on this, or any bill actually, so that we can proceed to conference quickly and have these bills on the President's desk in time to hand the regime a nice holiday present.

I now turn to my friend, the ranking member, for the remarks that he would like to make on this bill and the one other bill, as well. Mr. Berman is recognized.

Mr. BERMAN. Well, thank you very much, Madam Chairman. And I apologize in advance for the length of this statement, but, first, I would like to begin by commending you and your staff for the hard work, the creativity, the cooperative spirit you have brought to our joint effort to produce a strong bill. I also thank members on both sides of the aisle for their efforts and ideas geared toward improving this bill and strengthening our overall sanctions regime on Iran.

Madam Chairman, last year, the President signed into law our Comprehensive Iran Sanctions Accountability and Divestment Act, CISADA. This law provided the tools for the administration to impose strengthened sanctions against companies that support Iran's energy sector and against financial institutions that support Iran's Islamic Revolutionary Guard Corps.

That bill has been effective in many ways. It has impeded Iran's access to international financial markets, as Iranian President Ahmadinejad acknowledged yesterday. And it has led every major Western energy company to draw down its Iran operations. It has also laid the groundwork for the EU to oppose tough sanctions.

Yet, as I have said previously, nothing that we do or that the administration has done can be deemed truly effective until Iran ends its nuclear weapons program and stops supporting terrorism. And we know that Iran is continuing to increase its stockpile of low-enriched uranium and make progress in other ways toward a nuclear weapons capability. Accordingly, we must now seek to strengthen sanctions significantly.

The bill we are marking up today, the Iran Threat Reduction Act, builds on past efforts by restricting the terms on which a company can pledge to end its work in Iran as an alternative to sanctions, expanding the types of activities that trigger Presidential investigations of potentially sanctionable activity, and widening the scope of sanctions on human rights abusers.

I also want to make clear my view that nothing in this bill should limit in any way the President's ability to conduct diplomacy as he sees fit.

For now, I would like to focus on two of the measures which, with the chairman's cooperation, I added to this amendment in the nature of a substitute. And then I would like to discuss briefly the amendment I plan on offering this morning.

One of the measures I included in the substitute would restrict foreign subsidiaries of U.S. companies from engaging in business with Iran, making them subject to the same sanctions as their parent U.S.-based company. We wanted to do this in CISADA, but the other house wasn't too excited about that prospect. We hope now we can move forward on this. The notion that a foreign subsidiary of a U.S. company can conduct business that would be sanctionable in the U.S., conduct business that U.S. National security interests prevent the U.S. company itself from conducting, undermines our efforts to prevent Iran from achieving a nuclear weapons capability.

We should never allow the slightest bit of doubt as to our seriousness of purpose regarding our efforts to prevent Iran from achieving a nuclear weapons capability. That is why we have to bring the behavior of foreign subsidiaries of U.S. companies into line with U.S. practice. When U.S. companies allow their foreign subsidiaries to sell Iran materials that are prohibited under U.S. law, those companies are violating the spirit of our sanctions regime. Once this bill becomes law, such behavior will be a violation of the letter of the law, as well.

Another measure included in the substitute would impose sanctions on foreign commercial enterprises that do business with the Iran Revolutionary Guard Corps. In CISADA, we established a sanction regime for foreign banks that conduct business or facilitate sanctions transactions with the IRGC. Given the prominent role that the IRGC plays in the Iranian economy, we believe that sanction has had a significant impact. Now we need to widen the net to extend the prohibition to all commercial enterprises.

Among its terrorist activities, we all know, is the recent plot to assassinate the Saudi Ambassador to the United States that was carried out by the Quds Force, which is the IRGC's special operations force. There should be consequences for this type of behavior, and I believe the international community must stand up against this threat. This measure will give foreign companies incentive to do that.

And, finally, the amendment that I will be offering shortly would sanction the Central Bank of Iran if it is found to be engaged in facilitating WMD development, terrorism, or any type of support for the IRGC. In fact, I believe the Central Bank of Iran is not only engaging in those activities, I believe it is the ultimate engine of those activities. We will need to work with our global partners to make a sanction on the Central Bank as effective as possible. Our hope is that an economically challenged Iran will have less money to spend on weapons of mass destruction, terrorism, and other nefarious activities.

By all accounts, Madam Chairman, the sanctions we passed last year have made life difficult for the Iranians. But oil prices remain high, a lifesaver of the Iranian economy. They continue to increase its stockpile of enriched uranium, and it is increasing at increasingly higher levels. The nuclear clock is moving ever closer to midnight. We can't nibble around the edges. We need a sanctions regime that is as bold as the Iranian nuclear program is brazen. Our legislation, fortified by sanctions on the Central Bank of Iran, is an important step in that direction.

And I thank the chairman for the time.

Chairman ROS-LEHTINEN. Thank you very much, Mr. Berman.

And our speaking clock is ticking, as well, but I would like to recognize any member seeking recognition to speak on the underlying bill and the amendment in the nature of a substitute.

Mr. Deutch is recognized.

Mr. DEUTCH. Thank you, Madam Chairman. I would like to take a moment to thank you and Ranking Member Berman for your efforts to bring this bill together and move forward with such strong bipartisan support.

For the past year, the historic turmoil in the Middle East threatens to leave one nation emboldened and empowered, Iran. Iran's surrogates have gained influence, with Hezbollah taking full control of the government in Lebanon, and Hamas, a terrorist organization responsible for perpetrating attacks that just this year have included the slaughter of children and their parents in Itamar and the direct targeting of a school bus in southern Israel, signing a unity agreement with Fatah.

Increased terror attacks are only part of the Iranian framework for expanded influence. Through it all, Iran continues its illicit pursuit of nuclear weapons. In fact, the IAEA is expected to release a report this month providing greater detail on potential military dimensions of Iran's nuclear program. The IAEA director general publicly stated he is increasingly concerned about activities related to the development of a nuclear payload for missile.

Additionally, we know the regime plans to triple its output of 20-percent-enriched uranium under the guise of powering a medical research reactor. The regimeis installing advanced centrifuges at

an underground facility. It has shown time and again that it is not willing to grant international inspectors full access to all of its facilities. And we know that it is only a short jump from 20 percent to the 90-percent enrichment needed to produce a nuclear weapon. Iran continues to defy international law, continues to look for ways to evade sanctions, and continues to move closer toward weaponization.

But U.S. and international sanctions have shown they can successfully bring great pressure on the Iranian economy. The regime has felt the squeeze of $60 billion of lost investments in its energy sector, and we must seize this opportunity to tighten even further the economic noose on Iran before the regime makes its ultimate move toward weaponization. This bill will close loopholes that have made it easier for companies to continue to conduct business with Iran. And, most importantly, it will take greater action in identifying those companies for all the world to see.

Madam Chairman, I would like to thank you for working with me to include provisions of the Iran Transparency and Accountability Act in this bill. These new requirements put the onus of determining the extent and nature of a company's involvement in Iran on that company or its subsidiary if traded on U.S. stock exchanges by requiring the disclosure of all material business with Iran on SEC filings. This forced disclosure would ease the burden of proof on the State Department and would accelerate the imposition of sanctions on those companies. It will also give American investors the opportunity to decide whether their hard-earned money will go toward supporting countries and companies that choose to put profit over international security.

This legislation also includes mandatory sanctions on those who perpetrate the most egregious human rights abuses. This regime's use of intimidation and excessive force to suppress its opposition must be stopped, and the United States must stand with the people of Iran in their quest for democracy and freedom. This bill helps to reaffirm our commitment to them.

We must, Madam Chairman, continue to escalate the pressure on the Iranian regime. We must make it clear to not only the regime but to the Iranian people striving for democracy and human rights that we are serious, we are determined, and we are aggressive in our approach to halt Iran's illegal, destabilizing, and dangerous pursuit of weapons of mass destruction.

Again, Madam Chairman, to you and to the ranking member, I thank you for your great work on this bill. And I yield back the balance of my time.

Chairman ROS-LEHTINEN. Thank you very much, Mr. Deutch. And it was our honor to put your provisions in our bill, which further strengthens it. So thank you for your contributions.

And I apologize to Mr. Smith, who—I did not recognize his baseball signals. I should have gone to him first. Mr. Smith of New Jersey is recognized.

Mr. SMITH. Thank you very much, Madam Chair. And, again, I want to congratulate you and the ranking member in bringing this extraordinarily important legislation before the committee, and hopefully it will become law.

It is abundantly clear that Iran is a nation that pursues its interests with ruthless disregard of others, especially Israel, and without any kind of international cooperation. Over the last three decades, Iran has portrayed itself as a nation in need of nuclear power. With the cover provided by less-than-diligent international officials and the assistance of nations eager to profit from Iran's passionate pursuit of nuclear capability, Iran has been furiously developing its nuclear capabilities. There are at least 17 confirmed or suspected nuclear processing, research, or storage sites reportedly operating in Iran as we consider this legislation.

The recently foiled Iranian plot to assassinate the Saudi Ambassador to the U.S. and to bomb the Saudi and Israeli Embassies here in Washington demonstrates the urgent need to abandon the illusion of the effectiveness of more measured sanctions. Iran has been listed by the State Department as a State Sponsor of Terrorism since 1984, and there is ample evidence of Iranian support for attacks on American troops in Iraq.

Under the circumstances, we can no longer depend on incremental ratcheting of pressure on Iran to halt its nuclear bomb ambitions. Iran poses too great a danger without nuclear weapons, and H.R. 1905 gives us further tools to protect our interests and our very livelihood and lives against a renegade nuclear Iran.

Again, I thank you for this extraordinarily important legislation and yield back.

Chairman ROS-LEHTINEN. I thank the gentleman.

Mr. Sherman is recognized.

Mr. SHERMAN. Madam Chair, thank you for your work in bringing this bill, combining the best ideas from so many members and, of course, your own into a bill that will be another important step toward dissuading Iran from developing nuclear weapons. We have to create a circumstance where the regime in Tehran has to choose between its nuclear weapons program and regime survival.

We owe a special debt of gratitude to the mullahs who run Iran because it is their incompetence and corruption that creates some risk to regime survival even at a time when oil is selling at historically high levels. And we owe a debt to the Iranian people, who came close to overthrowing this regime recently and who pose a real threat to its survival.

But the steps we have taken to date and even the steps that we plan to take today are just steps along the road. The journey of many miles continues today with one more important step. We are going to have to do even more than this to cause this regime to have to fear for its survival.

I want to thank the Madam Chair for co-sponsoring last year and then again this year my Stop Iran's Nuclear Program Act. And I hope that we can move that bill before the end of the year, as well, although so much of it is included in the bill we deal with today.

That bill, both in its 2010 and 2011 versions, dealt extensively, as the bill before us today does, with the Iran Revolutionary Guard Corps. And, of course, the provisions are included today in Title III. That corps includes the Quds Force, which was identified as the masterminds behind the threats to Saudi diplomats here on our soil, but, just as importantly, plays a critical, some would say a majority, role in the Iran economy and in its nuclear program.

In 2007, the Treasury Department took the important step of designating the IRGC for its proliferation activities. Some 80 entities owned or controlled by the Revolutionary Guard Corps have also been designated. While this has caused some non-U.S. companies to shy away from business with those entities, some have continued to do so.

In a bill that I introduced along with our chair, Ed Royce, and Dan Burton back in 2009, the Revolutionary Guard Corps Designation Implementation Act, which I think serves as the basis for Title III of today's bill, we make it clear that if you do business with the Revolutionary Guard Corps, you can't do business with the United States. This bill today, to the credit of its author, will tell, for example, Mercedes, "If you sell trucks to the Quds Force, you are not selling trucks in the United States."

Like the Stop Iran's Nuclear Program Act of 2010 and then the new one of 2011, this bill deals with sovereign debt, the Halliburton loophole, sensitive Internet technologies, aircraft parts and repair, and an authorization for State governments to take action. Let me review those important provisions.

It prevents companies from loaning money to Iran, whether in dollars or euros or any other currency. It tells the foreign-incorporated subsidiaries of U.S. multinational corporations that they, too, cannot do business with Iran.

Senator Chuck Schumer and I pushed successfully in CISADA, section 106, to designate technologies that suppress the Internet as items that should not be sold to the Iranian regime. The State Department has failed to enforce that. This provision requires the State Department to provide clear guidance as to what kinds of technologies cannot be sold to Iran without being subject to U.S. sanctions.

This bill prohibits aircraft parts and services to Iran. Their so-called civilian planes have been used for a variety of nefarious solutions, including resupplying the Assad's bloody suppression machine in Syria.

The bill also allows State governments to take the actions in support of our sanctions against Iran, most significantly to deny insurance licenses to companies that conduct a host of sanctionable activities in Iran.

This bill is an important first step. It includes many important provisions. We need to pass it into law as quickly as possible, and then we need to look at the next step.

I yield back.

Chairman ROS-LEHTINEN. Thank you so much, Mr. Sherman.

Ms. Schmidt of Ohio is recognized.

Mrs. SCHMIDT. Thank you, Madam Chairman. And I really want to applaud both sides for working on this very important measure.

You know, when Ahmadinejad spoke to his government, he stated that the sanctions are impacting Iran's financial capabilities, especially in the international market. And this bill shows the importance of the U.S. sanctions as they exist, but it also points out the need for additional sanctions and the need to tighten language so Iran cannot find ways around these sanctions through friends on the international scene.

Speaking in a single voice sends a clear message of what these sanctions are and how they are to operate. It also sends a voice of the potential danger of a nuclear Iran to the world, and it lessens their ability to improve their economy through international means.

I encourage not only my colleagues here to vote for this but my friends on my side of the aisle in the House, the other side of the aisle in the House, and in the Senate, and the President to then sign it quickly, as soon as possible.

I yield back my time.

Chairman ROS-LEHTINEN. Thank you very much, Ms. Schmidt.

Mr. Rohrabacher is recognized.

Mr. ROHRABACHER. Thank you very much, Madam Chairman. I want to thank you personally for your leadership, your very strong leadership, on this, if America is going to be at peace and we are not going to find ourselves backed into a corner where we have to give up our freedom and may have to end up in a war 10 years from now, we need strong leadership. You are providing that today, Madam Chairman. Thank you.

There is a country that, however, cannot be ignored when we are discussing how to pressure Iran to change its course, and that country that seems to be ignored so often in these debates is Communist China. This is because Communist China, of course, is the partner of so many American multinational corporations who don't want us to talk about the sins of China. Well, Communist China has been the foremost diplomatic and economic backer of the Tehran mullah regime, an increasingly active, as well, military ally of the Iranian mullah dictatorship.

Well, to attain our goal of changing Iran's course, Beijing must be persuaded to change its course. Increasing sanctions by adding Iranian oil development and purchasing its oil exports have to be applied to China, and they will be with this legislation. Existing large-scale China-Iranian projects in the energy sector would be, with this legislation, stopped. The Chinese imports of oil from Iran increased 40 percent from January to August of this year compared to the same period last year. They have a very tangible relationship that is working against the purposes of a more peaceful world.

We now ask the Obama administration to act on what we are imposing today. And let's just remember that, just a year ago, John Pomfret of The Washington Post reported that Robert Einhorn, the State Department special advisor for nonproliferation and arms control, had given the Chinese a "significant list" of companies and banks that were working with Iran.

By the way, when we are talking about Chinese companies, many of these companies we are talking about are owned by the People's Liberation Army, so it is part and parcel of the Chinese Government and their military. So, already, the administration has a list of Chinese companies that are already in violation. So we know what Beijing—and we have known what it is up to, yet nothing has been done to change that Chinese behavior. Indeed, China is increasing trade with Iran to offset the sanctions.

In diplomacy, China continues to back Iran on the nuclear issue and, just recently, pressed the IAEA not to release damning information on the Iranian military nuclear research. China has given

help to Iran both in its nuclear and missile program, so it provides Tehran with weapons that menace its neighbors and also delivery systems.

So, by all means, we should be enacting the chairman's strengthened version of the Iran Threat Reduction Act, and I applaud her for it, but we must realize that these sanctions will be undercut by Beijing unless we are willing to stand up to Beijing and tell them that we are serious about this legislation and this task of making sure that the mullahs in Iran don't become a nuclear power.

Unless we can convince the Communist Chinese regime by resolute action that they will face severe consequences if they continue to support Tehran, we can expect them to go about with business as usual. We should be watching out for the interests of our country, the national security of our country, and the long-term prosperity of the American people. And that means we are going to have so overcome the corporate influences here in Washington, DC, that are preventing us for standing up from human rights and taking the policies that we need to take in order to ensure that China doesn't threaten our security and our peace in the years to come.

So, Madam Chairman, again, thanks for your leadership. We need to make sure that we remember that China is part of this problem. Thank you.

Chairman ROS-LEHTINEN. Amen. Thank you.

We will now move to consider additional amendments to the underlying substitute amendment, as provided to your offices last night.

I ask unanimous consent that the following bipartisan, noncontroversial amendments, which members have before them, be considered en bloc: Amendments 32, 33, and 34 from Mr. Deutch, enhancing the "credible information" definition, requiring publication of waivers, and requiring a report on divestment; Amendment 18 from Mr. Keating, adding Syria to the list of entities receiving material support from Iran; Amendment 190 from Judge Poe that I drafted with him, as well, adding a finding and policy statement regarding Iranian activity and Camp Ashraf; and Amendment 60 from Mr. Royce, strengthening the aims of the State Department's Internet freedom strategy.

[The amendments referred to follow:]

AMENDMENT TO THE AMENDMENT IN THE NATURE OF A SUBSTITUTE TO H.R. 1905 OFFERED BY MR. DEUTCH OF FLORIDA

Page 47, line 20, after "products," insert "State and local government reports,".

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AMENDMENT TO THE AMENDMENT IN THE NATURE OF A SUBSTITUTE TO H.R. 1905 OFFERED BY MR. DEUTCH OF FLORIDA

Page 43, after line 11, insert the following:

1 (3) PUBLICATION IN THE FEDERAL REG-
2 ISTER.—Not later than 15 days after any waiver au-
3 thority is exercised pursuant to paragraph (1) or (2)
4 of this subsection, the name of the person or entity
5 with respect to which sanctions are being waived
6 shall be published in the Federal Regist[redacted]

Page 70, line 11, strike "The President" and insert the following:

7 (1) IN GENERAL.—The President

Page 70, after line 17, inser the following:

8 (2) PUBLICATION IN THE FEDERAL REG-
9 ISTER.—Not later than 15 days after any waiver au-
10 thority is exercised pursuant to paragraph (1) of
11 this subsection, the name of the person with respect
12 to which sanctions are being waived shall be pub-
13 lished in the Federal Register.

☒

AMENDMENT TO THE AMENDMENT IN THE NATURE OF A SUBSTITUTE TO H.R. 1905 OFFERED BY MR. DEUTCH OF FLORIDA

Page 16, line 10, strike "one year" and insert "180 days".

Page 16, after line 11, insert the following:

1 (C) REPORT.—Not later than 90 days
2 after the date of enactment of this Act, the
3 President shall transmit to the appropriate con-
4 gressional committees a report on the actions
5 taken by persons previously designated pursu-
6 ant to section 4(e)(3) of the Iran Sanctions Act
7 of 1996, as in effect on the day before the date
8 of the enactment of this Act, to verifiably divest
9 all holdings and terminate the activity described
10 in subparagraph (A).

AMENDMENT TO THE AMENDMENT IN THE NATURE OF A SUBSTITUTE TO H.R. 1905 OFFERED BY MR. KEATING OF MASSACHUSETTS

Page 4, line 6, after "Hezbollah," insert "the Government of Syria,".

☒

AMENDMENT TO THE AMENDMENT IN THE NATURE OF A SUBSTITUTE TO H.R. 1905 OFFERED BY MR. POE OF TEXAS

Page 82, strike lines 15 through line 22 and insert the following:

1 (c) FINDINGS.—Congress finds that—
2 (1) an increase in both the quantity and quality
3 of Iranian arms shipments and technological exper-
4 tise to the Iraqi insurgents, the Taliban, other ter-
5 rorist organizations and criminal elements has the
6 potential to significantly change the battlefield in
7 both Iraq and Afghanistan, and lead to a large in-
8 crease in United States, International Security As-
9 sistance Force, Coalition and Iraqi and Afghan cas-
10 ualties; and
11 (2) an increase in Iranian activity and influence
12 in Iraq threatens the safety and welfare of the resi-
13 dents of Camp Ashraf.

Page 82, after line 22, insert the following:

14 (d) STATEMENT OF POLICY.—It shall be the policy
15 of the United States to urge the Government of Iraq to—

1 (1) uphold its commitments to the United
2 States to ensure the continued well-being of those
3 individuals living in Camp Ashraf;
4 (2) prevent the involuntary return of such indi-
5 viduals to Iran in accordance with the United States
6 Embassy Statement on Transfer of Security Respon-
7 sibility for Camp Ashraf of December 28, 2008; and
8 (3) not close Camp Ashraf until the United Na-
9 tions High Commissioner for Refugees can complete
10 its process, recognize as political refugees the resi-
11 dents of Camp Ashraf who do not wish to go back
12 to Iran, and resettle them in third countries.

Page 82, line 23, strike "(d)" and insert "(e)".

AMENDMENT TO THE AMENDMENT IN THE NATURE OF A SUBSTITUTE TO H.R. 1905 OFFERED BY MR. ROYCE OF CALIFORNIA

Page 68, line 7, insert before the semicolon the following: ", including by assisting United States telecommunications and software companies to comply with the United States export licensing process for such purposes".

Page 68, line 13, insert before the semicolon the following: ", including by identifying foreign providers of jamming technology".

Chairman ROS-LEHTINEN. You should all have copies in your packet.

I would like to recognize the authors of the amendments so that they can be recognized to explain their portion of the en bloc amendment, starting with Mr. Royce of California.

Thank you, Mr. Royce.

Mr. ROYCE. Thank you, Madam Chair. And I thank you and I thank the ranking member, as well, for your work on this very important legislation. And I also want to express my appreciation for your incorporation of my amendment here.

This amendment nudges the administration to work closely with United States telecom and software companies within the OFAC licensing process so that Iranian democracy activists have better access to software to aid their organizing. This is an area that needs attention. And the amendment also spotlights foreign companies that are assisting Iranian jamming efforts, another issue that we have to deal with here.

I also understand that Mr. Berman will be offering an amendment to strengthen the language on Iran's Central Bank. While many central banks around the world operate independently, Iran's Central Bank is, in fact, an arm of the regime and has assisted Iranian banks to sidestep U.S. financial pressure. At a Terrorism, Nonproliferation, and Trade Subcommittee hearing, experts rec-

ommended this. Mr. Berman's amendment pushes this forward, and it should be adopted.

And thank you. I yield back.

Chairman ROS-LEHTINEN. Thank you very much.

Mr. Deutch is recognized to explain his amendment.

Mr. DEUTCH. Thank you, Madam Chairman. I would like to thank you and Ranking Member Berman for your willingness to work to incorporate these three amendments into the legislation.

Madam Chairman, all three are aimed at achieving the same results: Identifying the companies that continue to support the Iranian regime's illicit quest for nuclear weapons.

Current law states that investigations into possible sanctions must begin upon the receipt of credible evidence. The Iran Threat Reduction Act aims to define what constitutes this credible information. My amendment will add to the list of credible evidence reports published by State and local governments.

Madam Chairman, you and I are privileged to represent the State of Florida, a State that in 2007 became the first State in the country to divest its pension funds from companies supporting the Iranian regime's nuclear weapons program. In authoring the Protecting Florida's Investment Act, we went to great lengths to create a detailed process for identifying those companies doing business in Iran.

As a result, the State Board of Administration in Florida publishes a quarterly report, which I have here, that is comprised of data from four external research providers, NGOs, Federal Government reports, company disclosures and SEC filings, investor relations Web sites, and industry publications.

Additionally, the State board engages directly with the companies, requesting specific information about activities in Iran, and tracks such correspondence in its report. At the publishing of its last report on September the 20th, the Florida State Board of Administration had reviewed over 400 companies and affiliates.

Madam Chairman, I ask unanimous consent to have the Florida quarterly report placed in the record.

Chairman ROS-LEHTINEN. Without objection.

[NOTE: The Florida State Board of Administration's quarterly report, "Protecting Florida's Investments Act (PFIA)," dated September 20, 2011, is not reprinted here but is available in committee records.]

Mr. DEUTCH. Florida is not the only State government committed to preventing a nuclear-armed Iran. There are nearly 20 other States with Iran divestment laws and countless municipalities.

If a company appears on reports published by these State and local governments, particularly given the detailed process used to identify those companies and maintain an up-to-date list of scrutinized companies, the administration must take it seriously and must immediately commence an investigation. This amendment will ensure that these reports are considered credible evidence to trigger that investigation into possible violations of U.S. sanctions law.

Also included, Madam Chairman, in the amendment package is a 180-day deadline for those companies on which the imposition of sanctions has already been waived pursuant to the special rule. In

the fall of 2010, five companies were subject to the special rule: Total, Statoil, ENI, Royal Dutch Shell, and Inpex. This amendment will ensure that those companies have fulfilled their obligations to terminate business in Iran. It is well known that the Iranian energy sector is the main source of funding for the regime's nuclear weapons program. These companies must not prolong any technological services that assist the regime in the production of its financial lifeline, oil.

And, lastly, Madam Chairman, the adoption of this package will require that the name of any company on which the President has chosen to waive the imposition of sanctions in the interest of national security, that that name be made public. The world must know that the U.S. is serious about using economic sanctions to prevent a nuclear-armed Iran. By simply publishing just the name of the company, we put others on notice, all around the world, that the U.S. is watching, we are investigating, and we are taking our responsibility in the international community seriously.

Madam Chairman, I again would like to thank you and Ranking Member Berman for moving forward with this vital piece of legislation that reaffirms the United States' commitment to prevention a nuclear-armed Iran. And I yield back the balance of my time.

Chairman ROS-LEHTINEN. Thank you so much, Mr. Deutch. And I thank you again for those valuable contributions to strengthening our bill. Thank you.

Mr. Keating is recognized to explain his amendment.

Mr. KEATING. Thank you, Madam Chair. And I would like to thank you and the ranking member for your efforts in this very important bill.

My amendment recognizes the Government of Syria as a recipient of material and political assistance by Iran. This bill already identifies Iran's relationship with armed militant groups of, you know, Iraq and Afghanistan, but it reaffirms Iran's support and assistance to Hamas and Hezbollah. But one entity missing from the bill, I believed, was the Government of Syria, who consistently enables Iran's support for the latter organizations.

Syria is one, if not the most, of Iran's most strategic allies. The unrest that has unfolded across the country is one of great concern to Iran's tactical stability. Iran has openly supported the regime's violent crackdown on peaceful Syrian protestors, supplying Assad's proponents with equipment to repress the crowds and technology to monitor, track, and block the use of the Internet as a means of mobilization and coordination. In May of this year, Iran sent members of the elite Quds Force of the Iranian Revolutionary Guard Corps to assist in crushing the opposition—the very same forces involved in the plot to assassinate Saudi Arabia's Ambassador to the United States.

This past summer, in a meeting between a high-ranking Quds Force official and Syria's deputy vice president of security affairs, Iran agreed to provide $23 million to Syria for the construction of a military base in order to better facilitate direct arms shipments.

Iran President Mahmoud Ahmadinejad and Syrian Vice President al-Sharaa have reaffirmed the unity between their countries in their common position on the Palestinian issue and their intent to expand cooperation against Israel. Tehran and Damascus are

well aware of the advantage brought by their relationship over the security of Israel. As mentioned, Syria serves as the gateway for shipments of weapons and military equipment from Iran to the open arms of Hezbollah in Lebanon. In June of last year, it was reported that a sophisticated air defense radar system, capable of intercepting Israeli air strikes, had been sent to Syria by Iran.

I could go on and on, Madam Chairman. As we move forward with implementing and further restricting sanctions on Iran, one thing is important to understand: The relationship between Iran and Syria is a direct threat to the safety and security of Israel and democracy in the region. I therefore ask and appreciate the inclusion of this amendment in the en bloc amendments.

And thank you. And I yield my time back.

Chairman ROS-LEHTINEN. Thank you, sir. We commend you for that amendment.

I would like to turn now to Judge Poe to explain his amendment, which reaffirms our commitment to the security and the welfare of the residents of Camp Ashraf. Judge Poe?

Mr. POE. Thank you, Madam Chair.

Some of the bravest Iranian dissidents are those that are willing to risk their lives to voice opposition to the current Ahmadinejad corrupt regime. Camp Ashraf in Iraq is full of these kinds of heroes. They are Iranians who love their country but have been forced to move because their own government does not tolerate anyone who disagrees with its own totalitarian, oppressive policies. They have been falsely imprisoned, tortured, and seen their family members murdered. They were forced to leave their homeland and flee to Iraq. Now they have applied to the UNHCR to be recognized as political refugees and are currently classified as asylum seekers.

But the camp is in danger. Iraqi troops have attacked the camp on two separate occasions, killing dozens and wounding hundreds. Now the people at Camp Ashraf are under siege. Iraq says it wants to close the camp completely by December 31st before UNHCR can complete the process and recognize them as political refugees. There are photos and video of Iraqi soldiers already entering the camp in preparation for this. If history is any guide, it will mean another massacre.

And the State Department needs to know that our best hope for regime change in Iran comes from the people of Iran themselves. We should publicly and vocally support a regime change by the freedom-loving people in Iran and the freedom-loving people in Camp Ashraf. If we don't do a good job of supporting the opposition, the least we can do now is prevent the folks in Camp Ashraf from being massacred again.

This amendment urges the Government of Iraq to not harm these freedom fighters and not return them to Iran, where they would face certain death, and not to close the camp before UNHCR can complete its process.

We must remember, Madam Chairman, that 85 of these people that are in the camp are either U.S. citizens or permanent residents of the United States.

I am thankful for the chairman and ranking member for their support of this important amendment. I yield back.

Chairman ROS-LEHTINEN. Thank you, Judge Poe.

Hearing no further request for recognition, the question occurs on the en bloc amendment.

All those in favor say aye.

All opposed, no.

In the opinion of the chair, the ayes have it, and the en bloc amendment is agreed to.

I now would like to ask the ranking member if he has an amendment at the desk.

Mr. BERMAN. Yes. Madam Chairman, I have an amendment cosponsored by you at the desk.

Chairman ROS-LEHTINEN. The clerk will report the amendment.

Ms. CARROLL. Amendment to the amendment in the nature of a substitute to H.R. 1905, offered by Mr. Berman of California and Ms. Ros-Lehtinen of Florida. In section 401, strike subsection (b) and insert the following——

Chairman ROS-LEHTINEN. Thank you.

Without objection, the amendment is considered read.

[The amendment to the amendment in the nature of a substitute follows:]

AMENDMENT TO THE AMENDMENT IN THE NATURE OF A SUBSTITUTE TO H.R. 1905 OFFERED BY MR. BERMAN OF CALIFORNIA

In section 401, strike subsection (b) and insert the following:

1 (b) CENTRAL BANK OF IRAN.—Section 104(c) of the
2 Comprehensive Iran Sanctions, Accountability, and Di-
3 vestment Act of 2010 (22 U.S.C. 8513(a)) is amended by
4 adding at the end the following:
5 "(4) CENTRAL BANK OF IRAN.—
6 "(A) DETERMINATION.—Not later than 30
7 days after the date of the enactment of this
8 paragraph, the President shall determine
9 whether the Central Bank of Iran has—
10 "(i) provided financial services in sup-
11 port of, or otherwise facilitated, the ability
12 of Iran to—
13 "(I) acquire or develop chemical,
14 biological or nuclear weapons, or re-
15 lated technologies;
16 "(II) construct, equip, operate, or
17 maintain nuclear enrichment facilities;

"(III) acquire or develop ballistic missiles, cruise missiles, or destabilizing types and amounts of conventional weapons; or

"(ii) facilitated a transaction or provided financial services for—

"(I) Iran's Islamic Revolutionary Guard Corps; or

"(II) a financial institution whose property or interests in property are subject to sanctions imposed pursuant to the International Emergency Economic Powers Act—

"(aa) in connection with Iran's proliferation of weapons of mass destruction or delivery systems for weapons of mass destruction; or

"(bb) Iran's support for acts of international terrorism.

"(B) SUBMISSION TO CONGRESS.—The President shall submit the determination made under subparagraph (A) in writing to the Congress, together with the reasons therefor.

"(C) IMPOSITION OF SANCTIONS.—

1 "(i) IN GENERAL.—If the President
2 determines under subparagraph (A) that
3 the Central Bank of Iran has engaged in
4 any of the activities described in that para-
5 graph, the President shall apply to the
6 Central Bank of Iran sanctions pursuant
7 to the International Economic Powers Act
8 (50 U.S.C. 1701 et seq.), including block-
9 ing of property and restrictions or prohibi-
10 tions on financial transactions and the ex-
11 portation or importation of property.
12 "(ii) EFFECTIVE PERIOD OF DESIGNA-
13 TION.—The President shall maintain the
14 sanctions imposed under clause (i) until
15 such time as the President determines and
16 certifies in writing to the Congress that
17 the Central Bank of Iran is no longer en-
18 gaged in any of the activities described in
19 subparagraph (A).".

Chairman ROS-LEHTINEN. The ranking member is recognized to explain his amendment as the amendment is being handed out. Mr. Berman?

Mr. BERMAN. Thank you very much, Madam Chairman.

Mr. Royce made reference to this amendment.

The Central Bank of Iran is the linchpin of Iran's financial system. It is Iran's only remaining link with the global banking system. Its opaque financial activities have generated strong suspicions that it almost certainly plays a critical role in funding Iran's nuclear and ballistic missile programs along with the various activities of the Iranian Revolutionary Guard Corps.

And yet, the Central Bank has not been designated under the Treasury Department's sanctions. As a result, the Central Bank is not included in our Specially Designated Nationals List, which functions as a global watch list.

My amendment would require the President to make a determination within 30 days after enactment whether the Central Bank is involved in any of the four areas: Supporting Iran's WMD or missile programs, including proliferation of WMD to other governments; financing Iran's procurement of advanced conventional weapons; providing financial services for the IRGC; or furthering Iran's support of international terrorism.

I believe an objective determination is likely to show that the Central Bank of Iran is indeed involved in one or more of these activities. If the President determines that the Central Bank of Iran is indeed involved in any of these activities, then he would be required to apply sanctions under the International Emergency Economic Powers Act, IEEPA. That would mean that any foreign bank involved in significant transactions with the Central Bank of Iran would also be blocked from the U.S. economy. The amendment would thus force banks to make a choice: Either terminate transactions with the Central Bank or risk the loss of your business in the United States.

This amendment would be a substitute for section 401(b) of the underlying markup text. That section calls for a report to Congress on the Central Bank but doesn't require any action taken by the U.S. Government.

The stakes could not be higher. Iran is making inexorable progress in enriching uranium, it is experimenting with nuclear warhead design, it is developing ballistic missiles, it is building up its inventory of advanced conventional weapons, and it continues to support international terrorism. The Central Bank of Iran is widely suspected of supporting all of these activities, and it is time that the bank and those who work with it are called to account.

This amendment improves the committee's bill, and it would vastly strengthen U.S. policy toward Iran. And I urge my colleagues to vote for it.

Chairman ROS-LEHTINEN. Yes, thank you, Mr. Berman. I also ask our colleagues to support this essential amendment to our bill.

Hearing no further requests for——

Mr. ROHRABACHER. Madam Chairman?

Chairman ROS-LEHTINEN. Mr. Rohrabacher?

Mr. ROHRABACHER. Number one, I want to thank Mr. Berman for this very important amendment, which, frankly, is a policy we

should have been involved with all along. I do not understand how we have let the banks off the hook on things like this.

I will use this opportunity to underscore what Judge Poe brought up a few moments ago about the situation in Camp Ashraf. Let me note that the residents of Camp Ashraf are totally vulnerable. They are disarmed at the request of the United States military. They are totally vulnerable, and they have already endured one massacre.

We keep pushing on this end for a redesignation of the MEK, which are the residents of Camp Ashraf, who are currently designated by our Government as a terrorist organization. That designation is undermining the efforts to relocate these people. Before we get a chance to do this, if we don't relocate them, and they end up being massacred again, it will be because our Government has not acted.

I want to make sure that we are on record today, that it is made very clear, that unless the MEK is redesignated, as has happened throughout Europe and other countries, redesignated not as a terrorist organization, and it is followed by another massacre of these unarmed people, the blood of these innocent people will be on the hands of our State Department and our Government. When the blood is in the sand and people say, who is at fault, they should look to Washington, DC, if we refuse to take the steps now that are necessary for their relocation.

This is very serious. We are talking about over 30 people have been murdered and hundreds more wounded. These are unarmed people who are basically there because of American policy. So I would underscore what Judge Poe stated today.

And we had the Secretary of State with us just a few days ago, committing that whatever can be done will be done as soon as they can do it. Well, let's see some action. If not, again, our State Department bureaucracy will have the blood of these innocent people on their hands if there is another massacre.

Thank you very much, Madam Chairman.

Chairman ROS-LEHTINEN. Thank you so much, Mr. Rohrabacher.

Mr. Duncan is recognized.

Mr. DUNCAN. Thank you, Madam Chairman.

Just real briefly, I will speak in support of this amendment because I want to remind the committee and the Members of Congress that are following this interesting markup that, just a few weeks ago, it was very evident that the Quds Force, the Iranian Revolutionary Guard, was involved in a terror plot that was going to take place on U.S. soil, in this very city, in the assassination attempt of another sovereign nation's Ambassador to the United States.

So this is the right level of sanctions at this point in time against the Central Bank of Iran, and it sends the right signal to the Quds Force and Hezbollah and others that we are not going to just take that issue lightly. And I appreciate Mr. Berman for bringing this amendment up.

I yield back.

Chairman ROS-LEHTINEN. As do I. Thank you.

Hearing no further request for recognition, the question occurs on the Berman amendment.

All those in favor say aye.

All opposed, no.

In the opinion of the chair, the ayes have it, and the amendment is agreed to.

Are there any other amendments to the Iran Threat Reduction Act?

Hearing no further amendments, the question is on agreeing to the bipartisan amendment in the nature of a substitute, as amended.

All those in favor say aye.

All opposed, no.

In the opinion of the chair, the ayes have it, and the amendment in the nature of a substitute, as amended, is agreed to.

Without objection, the underlying bill, H.R. 1905, as amended, is agreed to.

And I now move that the chair be authorized to seek consideration of the measure by the House under suspension of the rules.

All those in favor say aye.

All those opposed, no.

The ayes have it, and the motion is agreed to.

Without objection, the bill, as amended, will be reported as a single amendment in the nature of a substitute incorporating the amendments adopted by the committee. And the staff is directed to make technical and conforming changes.

I now call up the bill H.R. 2105, the Iran, North Korea, and Syria Nonproliferation Reform and Modernization Act of 2011. Without objection, the bill is considered as read and open for amendment at any point.

[H.R. 2105 follows:]

I

112TH CONGRESS
1ST SESSION

H. R. 2105

To provide for the application of measures to foreign persons who transfer to Iran, North Korea, and Syria certain goods, services, or technology, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JUNE 3, 2011

Ms. ROS-LEHTINEN (for herself and Mr. SHERMAN) introduced the following bill; which was referred to the Committee on Foreign Affairs, and in addition to the Committees on Oversight and Government Reform, the Judiciary, Ways and Means, Science, Space, and Technology, Financial Services, and Transportation and Infrastructure, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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A BILL

To provide for the application of measures to foreign persons who transfer to Iran, North Korea, and Syria certain goods, services, or technology, and for other purposes.

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

SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Iran, North Korea, and Syria Nonproliferation Reform and Modernization Act of 2011".

1 (b) TABLE OF CONTENTS.—The table of contents for
2 this Act is as follows:

Sec. 1. Short title and table of contents.
Sec. 2. Statement of policy.
Sec. 3. Reports on proliferation relating to Iran, North Korea, and Syria.
Sec. 4. Application of measures to certain foreign persons.
Sec. 5. Determination exempting a foreign person from the application of certain measures.
Sec. 6. Restrictions on nuclear cooperation with countries aiding proliferation by Iran, North Korea, or Syria.
Sec. 7. Restriction on extraordinary payments in connection with the International Space Station.
Sec. 8. Exclusion from the United States of senior officials of foreign persons who have aided proliferation relating to Iran.
Sec. 9. Prohibition on certain vessels landing in the United States; enhanced inspections.
Sec. 10. Sanctions with respect to critical defense resources provided to or acquired from Iran, North Korea, or Syria.
Sec. 11. Definitions.
Sec. 12. Repeal of Iran, North Korea, and Syria Nonproliferation Act.

3 **SEC. 2. STATEMENT OF POLICY.**

4 It shall be the policy of the United States to fully
5 implement and enforce sanctions against Iran, North
6 Korea, and Syria for their proliferation activities and poli-
7 cies.

8 **SEC. 3. REPORTS ON PROLIFERATION RELATING TO IRAN,**
9 **NORTH KOREA, AND SYRIA.**

10 (a) REPORTS.—Not later than 90 days after the date
11 of the enactment of this Act and every 180 days there-
12 after, the President shall transmit to the appropriate con-
13 gressional committees a report identifying every foreign
14 person with respect to whom there is credible information
15 indicating that such person—

16 (1) on or after January 1, 1999, transferred to
17 or acquired from Iran, on or after January 1, 2005,

1 transferred to or acquired from Syria, or on or after
2 January 1, 2006, transferred to or acquired from
3 North Korea—
4 (A) goods, services, or technology listed
5 on—
6 (i) the Nuclear Suppliers Group
7 Guidelines for the Export of Nuclear Mate-
8 rial, Equipment and Technology (published
9 by the International Atomic Energy Agen-
10 cy as Information Circular INFCIRC/254/
11 Rev. 3/Part 1, and subsequent revisions)
12 and Guidelines for Transfers of Nuclear-
13 Related Dual-Use Equipment, Material,
14 and Related Technology (published by the
15 International Atomic Energy Agency as In-
16 formation Circular INFCIRC/254/Rev. 3/
17 Part 2, and subsequent revisions);
18 (ii) the Missile Technology Control
19 Regime Equipment and Technology Annex
20 of June 11, 1996, and subsequent revi-
21 sions;
22 (iii) the lists of items and substances
23 relating to biological and chemical weapons
24 the export of which is controlled by the
25 Australia Group;

(iv) the Schedule One or Schedule Two list of toxic chemicals and precursors the export of which is controlled pursuant to the Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on Their Destruction; or

(v) the Wassenaar Arrangement list of Dual Use Goods and Technologies and Munitions list of July 12, 1996, and subsequent revisions; or

(B) goods, services, or technology not listed on any list specified in subparagraph (A) but which nevertheless would be, if such goods, services, or technology were United States goods, services, or technology, prohibited for export to Iran, North Korea, or Syria, as the case may be, because of the potential of such goods, services or technology to make a material contribution to the development of nuclear, biological, or chemical weapons, or of ballistic or cruise missile systems;

(2) except as provided in subsection (b), on or after the date of the enactment of this Act, acquired materials mined or otherwise extracted within the

1 territory or control of Iran, North Korea, or Syria,
2 as the case may be, for purposes relating to the nu-
3 clear, biological, or chemical weapons, or ballistic or
4 cruise missile development programs of Iran, North
5 Korea, or Syria, as the case may be;
6 (3) on or after the date of the enactment of this
7 Act, transferred to Iran, Syria, or North Korea
8 goods, services, or technology that could assist ef-
9 forts to extract or mill uranium ore within the terri-
10 tory or control of Iran, North Korea, or Syria, as
11 the case may be; or
12 (4) on or after the date of the enactment of this
13 Act, provided a vessel, insurance or reinsurance, or
14 any other shipping service for the transportation of
15 goods to or from Iran, North Korea, or Syria for
16 purposes relating to the nuclear, biological, or chem-
17 ical weapons, or ballistic or cruise missile develop-
18 ment programs of Iran, North Korea, or Syria, as
19 the case may be.
20 (b) EXCEPTIONS.—Any foreign person who—
21 (1) was identified in a report transmitted in ac-
22 cordance with subsection (a) on account of a par-
23 ticular transfer, or

1 (2) has engaged in a transfer on behalf of, or
2 in concert with, the Government of the United
3 States,
4 shall not be identified on account of that same transfer
5 in any report submitted thereafter under this section, ex-
6 cept to the degree that new information has emerged indi-
7 cating that the particular transfer at issue may have con-
8 tinued, or been larger, more significant, or different in na-
9 ture than previously reported under this section.
10 (c) TRANSMISSION IN CLASSIFIED FORM.—If the
11 President considers it appropriate, reports transmitted in
12 accordance with subsection (a), or appropriate parts there-
13 of, may be transmitted in classified form.
14 (d) CONTENT OF REPORTS.—Each report required
15 under subsection (a) shall contain, with respect to each
16 foreign person identified in each such report, a brief de-
17 scription of the type and quantity of the goods, services,
18 or technology transferred by such person to Iran, North
19 Korea, or Syria, the circumstances surrounding such
20 transfer, the usefulness to the nuclear, biological, or chem-
21 ical weapons, or ballistic or cruise missile development
22 programs of Iran, North Korea, or Syria of such transfer,
23 and the probable awareness or lack thereof of the transfer
24 on the part of the government with primary jurisdiction
25 over such person.

SEC. 4. APPLICATION OF MEASURES TO CERTAIN FOREIGN PERSONS.

(a) APPLICATION OF MEASURES.—Subject to section 5, the President shall apply, for a period of not less than two years, the measures specified in subsection (b) with respect to—

(1) each foreign person identified in a report transmitted under section 3(a);

(2) each person that is a successor, subunit, or subsidiary of a foreign person referred to in paragraph (1); and

(3) each person that owns more than 50 percent of, or controls in fact, a foreign person referred to in paragraph (1) or a person described in paragraph (2).

(b) DESCRIPTION OF MEASURES.—The measures referred to in subsection (a) are the following:

(1) EXECUTIVE ORDER 12938 PROHIBITIONS.—The measures specified in subsections (b), (c), and (d) of section 4 of Executive Order 12938 (50 U.S.C. 1701 note; relating to proliferation of weapons of mass destruction).

(2) ARMS EXPORT PROHIBITION.—Prohibition on United States Government sales to a person described in subsection (a) of any item on the United States Munitions List and termination of sales to

1 such person of any defense articles, defense services,
2 or design and construction services under the Arms
3 Export Control Act (22 U.S.C. 2751 et seq.).
4 (3) DUAL USE EXPORT PROHIBITION.—Denial
5 of licenses and suspension of existing licenses for the
6 transfer to a person described in subsection (a) of
7 items the export of which is controlled under the Ex-
8 port Administration Act of 1979 (50 U.S.C. App.
9 2401 et seq.), as in effect pursuant to the Inter-
10 national Emergency Economic Powers Act, or the
11 Export Administration Regulations.
12 (4) INVESTMENT PROHIBITION.—Prohibition on
13 any investment by a United States person in prop-
14 erty, including entities, owned or controlled by a per-
15 son described in subsection (a).
16 (5) FINANCING PROHIBITION.—Prohibition on
17 any approval, financing, or guarantee by a United
18 States person, wherever located, of a transaction by
19 a person described in subsection (a).
20 (6) FINANCIAL ASSISTANCE PROHIBITION.—De-
21 nial by the United States Government of any credit,
22 credit guarantees, grants, or other financial assist-
23 ance by any agency of the United States Govern-
24 ment to a person described in subsection (a).

1 (c) EFFECTIVE DATE.—Measures applied pursuant
2 to subsection (a) shall be effective with respect to a foreign
3 person no later than—
4 (1) 90 days after the report identifying the for-
5 eign person is submitted, if the report is submitted
6 on or before the date required by section 3(a);
7 (2) 90 days after the date required by section
8 3(a) for submitting the report, if the report identi-
9 fying the foreign person is submitted within 60 days
10 after that date; or
11 (3) on the date that the report identifying the
12 foreign person is submitted, if that report is sub-
13 mitted more than 60 days after the date required by
14 section 3(a).
15 (d) PUBLICATION IN FEDERAL REGISTER.—
16 (1) IN GENERAL.—The Secretary of the Treas-
17 ury shall publish in the Federal Register notice of
18 the application against a person of measures pursu-
19 ant to subsection (a).
20 (2) CONTENT.—Each notice published in ac-
21 cordance with paragraph (1) shall include the name
22 and address (where known) of each person to which
23 measures have been applied pursuant to subsection
24 (a).

SEC. 5. DETERMINATION EXEMPTING A FOREIGN PERSON FROM THE APPLICATION OF CERTAIN MEASURES.

(a) IN GENERAL.—The application of any measure described in section 4(b) to a person described in section 4(a) shall cease to be effective beginning 15 days after the date on which the President reports to the appropriate congressional committees that the President has determined, on the basis of information provided by such person or otherwise obtained by the President, that—

(1) in the case of a transfer or acquisition of goods, services, or technology described in section 3(a)(1)—

(A) such person did not, on or after January 1, 1999, knowingly transfer to or acquire from Iran, North Korea, or Syria, as the case may be, such goods, services, or technology the apparent transfer of which caused such person to be identified in a report submitted pursuant to section 3(a);

(B) the goods, services, or technology the transfer of which caused such person to be identified in a report submitted pursuant to section 3(a) did not materially contribute to the efforts of Iran, North Korea, or Syria, as the case may be, to develop nuclear, biological, or

1 chemical weapons, or ballistic or cruise missile
2 systems, or weapons listed on the Wassenaar
3 Arrangement Munitions List of July 12, 1996,
4 or any subsequent revision of such List;
5 (C) such person is subject to the primary
6 jurisdiction of a government that is an adherent
7 to one or more relevant nonproliferation re-
8 gimes, such person was identified in a report
9 submitted pursuant to section 3(a) with respect
10 to a transfer of goods, services, or technology
11 described in section 3(a)(1)(A), and such trans-
12 fer was made in accordance with the guidelines
13 and parameters of all such relevant regimes of
14 which such government is an adherent; or
15 (D) the government with primary jurisdic-
16 tion over such person has imposed meaningful
17 penalties on such person on account of the
18 transfer of such goods, services, or technology
19 that caused such person to be identified in a re-
20 port submitted pursuant to section 3(a);
21 (2) in the case of an acquisition of materials
22 mined or otherwise extracted within the territory of
23 Iran, North Korea, or Syria, as the case may be, de-
24 scribed in section 3(a)(2) for purposes relating to
25 the nuclear, biological, or chemical weapons, or bal-

1 listic or cruise missile development programs of
2 Iran, North Korea, or Syria, as the case may be,
3 such person did not acquire such materials; or
4 (3) in the case of the provision of a vessel, in-
5 surance or reinsurance, or another shipping service
6 for the transportation of goods to or from Iran,
7 North Korea, or Syria, as the case may be, described
8 in section 3(a)(3) for purposes relating to the nu-
9 clear, biological, or chemical weapons, or ballistic or
10 cruise missile development programs of Iran, North
11 Korea, or Syria, as the case may be, such person did
12 not provide such a vessel or service.
13 (b) OPPORTUNITY TO PROVIDE INFORMATION.—
14 Congress urges the President—
15 (1) in every appropriate case, to contact in a
16 timely fashion each person described in section 3(a),
17 or the government with primary jurisdiction over
18 such person, in order to afford such person, or such
19 government, the opportunity to provide explanatory,
20 exculpatory, or other additional information with re-
21 spect to the transfer that caused such person to be
22 identified in a report submitted pursuant to section
23 3(a); and
24 (2) to exercise the authority described in sub-
25 section (a) in all cases in which information obtained

from each person described in section 3(a), or from the government with primary jurisdiction over such person, establishes that the exercise of such authority is warranted.

(c) FORM OF TRANSMISSION.—

(1) IN GENERAL.—Except as provided in paragraph (2), the determination and report of the President under subsection (a) shall be transmitted in unclassified form.

(2) EXCEPTION.—The determination and report of the President under subsection (a) may be transmitted in classified form if the President certifies to the appropriate congressional committees that it is vital to the national security interests of the United States to do so.

SEC. 6. RESTRICTIONS ON NUCLEAR COOPERATION WITH COUNTRIES AIDING PROLIFERATION BY IRAN, NORTH KOREA, OR SYRIA.

(a) IN GENERAL.—

(1) RESTRICTIONS.—Notwithstanding any other provision of law, on or after the date of the enactment of this Act—

(A) no agreement for cooperation between the United States and the government of any country that is assisting the nuclear program of

1 Iran, North Korea, or Syria, or transferring ad-
2 vanced conventional weapons or missiles to
3 Iran, North Korea, or Syria may be submitted
4 to the President or to Congress pursuant to
5 section 123 of the Atomic Energy Act of 1954
6 (42 U.S.C. 2153);
7 (B) no such agreement may enter into
8 force with respect to such country;
9 (C) no license may be issued for export di-
10 rectly or indirectly to such country of any nu-
11 clear material, facilities, components, or other
12 goods, services, or technology that would be
13 subject to such agreement; and
14 (D) no approval may be given for the
15 transfer or retransfer directly or indirectly to
16 such country of any nuclear material, facilities,
17 components, or other goods, services, or tech-
18 nology that would be subject to such agreement,
19 until the President makes the determination
20 and report under paragraph (2).
21 (2) DETERMINATION AND REPORT.—The deter-
22 mination and report referred to in paragraph (1)(D)
23 are a determination and report by the President,
24 submitted to the Committee on Foreign Affairs of

1 the House of Representatives and the Committee on
2 Foreign Relations of the Senate, that—
3 (A) Iran, North Korea, or Syria, as the
4 case may, has ceased its efforts to design, de-
5 velop, or acquire a nuclear explosive device or
6 related materials or technology; or
7 (B) the government of the country that is
8 assisting the nuclear programs of Iran, North
9 Korea, or Syria, as the case may be, or trans-
10 ferring advanced conventional weapons or mis-
11 siles to Iran, North Korea, or Syria, as the case
12 may be—
13 (i) has suspended all nuclear assist-
14 ance to Iran, North Korea, or Syria, as the
15 case may be, and all transfers of advanced
16 conventional weapons and missiles to Iran,
17 North Korea, or Syria, as the case may be;
18 and
19 (ii) is committed to maintaining that
20 suspension until Iran, North Korea, or
21 Syria, as the case may be, has imple-
22 mented measures that would permit the
23 President to make the determination de-
24 scribed in subparagraph (A).

(b) RULES OF CONSTRUCTION.—The restrictions described in subsection (a)(1)—

(1) shall apply in addition to all other applicable procedures, requirements, and restrictions described in the Atomic Energy Act of 1954 and other applicable Acts; and

(2) shall not be construed as affecting the validity of an agreement for cooperation between the United States and the government of a country that is in effect on the date of the enactment of this Act.

(c) DEFINITIONS.—In this section:

(1) AGREEMENT FOR COOPERATION.—The term "agreement for cooperation" has the meaning given that term in section 11 b. of the Atomic Energy Act of 1954 (42 U.S.C. 2014 b.).

(2) ASSISTING THE NUCLEAR PROGRAM OF IRAN, NORTH KOREA, OR SYRIA.—The term "assisting the nuclear program of Iran, North Korea, or Syria" means the intentional transfer to Iran, North Korea, or Syria by a government, or by a person subject to the jurisdiction of a government with the knowledge and acquiescence of that government, of goods, services, or technology listed on the Nuclear Suppliers Group Guidelines for the Export of Nuclear Material, Equipment and Technology (pub-

1 lished by the International Atomic Energy Agency as
2 Information Circular INFCIRC/254/Rev. 3/Part 1,
3 and subsequent revisions), or the Nuclear Suppliers
4 Group Guidelines for Transfers of Nuclear-Related
5 Dual-Use Equipment, Material, and Related Tech-
6 nology (published by the International Atomic En-
7 ergy Agency as Information Circular INFCIR/254/
8 Rev. 3/Part 2, and subsequent revisions).

9 (3) COUNTRY THAT IS ASSISTING THE NU-
10 CLEAR PROGRAMS OF IRAN, NORTH KOREA, OR
11 SYRIA OR TRANSFERRING ADVANCED CONVENTIONAL
12 WEAPONS OR MISSILES TO IRAN, NORTH KOREA, OR
13 SYRIA.—The term "country that is assisting the nu-
14 clear program of Iran, North Korea, or Syria or
15 transferring advanced conventional weapons or mis-
16 siles to Iran, North Korea, or Syria" means—

17 (A) the Russian Federation; and

18 (B) any other country determined by the
19 President to be assisting the nuclear program
20 of Iran, North Korea, or Syria or transferring
21 advanced conventional weapons or missiles to
22 Iran, North Korea, or Syria.

23 (4) TRANSFER.—The term "transfer" means
24 the conveyance of technological or intellectual prop-
25 erty, or the conversion of intellectual or technological

1 advances into marketable goods, services, or articles
2 of value, developed and generated in one place, to
3 another through illegal or illicit means to a country,
4 the government of which the Secretary of State has
5 determined, for purposes of section 6(j)(1)(A) of the
6 Export Administration Act of 1979 (as in effect pur-
7 suant to the International Emergency Economic
8 Powers Act; 50 U.S.C. 1701 et seq.), section 40(d)
9 of the Arms Export Control Act (22 U.S.C.
10 2780(d)), and section 620A of the Foreign Assist-
11 ance Act of 1961 (22 U.S.C. 2371), is a government
12 that has repeatedly provided support for acts of
13 international terrorism.

14 (5) TRANSFERRING ADVANCED CONVENTIONAL
15 WEAPONS OR MISSILES TO IRAN, NORTH KOREA, OR
16 SYRIA.—The term "transferring advanced conven-
17 tional weapons or missiles to Iran, North Korea, or
18 Syria" means the intentional transfer to Iran, North
19 Korea, or Syria by a government, or by a person
20 subject to the jurisdiction of a government with the
21 knowledge and acquiescence of that government, of
22 goods, services, or technology listed on—

23 (A) the Wassenaar Arrangement list of
24 Dual Use Goods and Technologies and Muni-

1 tions list of July 12, 1996, and subsequent revi-
2 sions; or
3 (B) the Missile Technology Control Regime
4 Equipment and Technology Annex of June 11,
5 1996, and subsequent revisions.

6 **SEC. 7. RESTRICTION ON EXTRAORDINARY PAYMENTS IN**
7 **CONNECTION WITH THE INTERNATIONAL**
8 **SPACE STATION.**

9 (a) IN GENERAL.—Notwithstanding any other provi-
10 sion of law, no agency of the United States Government
11 may make extraordinary payments in connection with the
12 International Space Station to the Russian Aviation and
13 Space Agency, any organization or entity under the juris-
14 diction or control of the Russian Aviation and Space Agen-
15 cy, or any other organization, entity, or element of the
16 Government of the Russian Federation, unless, during the
17 fiscal year in which such extraordinary payments are to
18 be made, the President has made the determination de-
19 scribed in subsection (b), and reported such determination
20 to the Committee on Foreign Affairs and the Committee
21 on Science and Technology of the House of Representa-
22 tives and the Committee on Foreign Relations and the
23 Committee on Commerce, Science, and Transportation of
24 the Senate.

1 (b) DETERMINATION REGARDING RUSSIAN CO-
2 OPERATION IN PREVENTING PROLIFERATION RELATING
3 TO IRAN, NORTH KOREA, AND SYRIA.—The determina-
4 tion referred to in subsection (a) is a determination by
5 the President that—
6 (1) it is the policy of the Government of the
7 Russian Federation (including the law enforcement,
8 export promotion, export control, and intelligence
9 agencies of such Government) to oppose the pro-
10 liferation to or from Iran, North Korea, and Syria
11 of weapons of mass destruction and missile systems
12 capable of delivering such weapons;
13 (2) the Government of the Russian Federation
14 (including the law enforcement, export promotion,
15 export control, and intelligence agencies of such Gov-
16 ernment) has demonstrated and continues to dem-
17 onstrate a sustained commitment to seek out and
18 prevent the transfer to or from Iran, North Korea,
19 and Syria of goods, services, and technology that
20 could make a material contribution to the nuclear,
21 biological, or chemical weapons, or of ballistic or
22 cruise missile systems development programs of
23 Iran; and
24 (3) neither the Russian Aviation and Space
25 Agency, nor any organization or entity under the ju-

1 risdiction or control of the Russian Aviation and
2 Space Agency, has, during the one-year period end-
3 ing on the date of the determination under this sub-
4 section made transfers to or from Iran, North
5 Korea, or Syria reportable under section 3(a) (other
6 than transfers with respect to which a determination
7 pursuant to section 5 has been or will be made).

8 (c) PRIOR NOTIFICATION.—Not less than five days
9 before making a determination under this section, the
10 President shall notify the Committee on Foreign Affairs
11 and the Committee on Science, Space, and Technology of
12 the House of Representatives and the Committee on For-
13 eign Relations and the Committee on Commerce, Science,
14 and Transportation of the Senate of the President's inten-
15 tion to make such a determination.

16 (d) WRITTEN JUSTIFICATION.—A determination of
17 the President under this section shall include a written
18 justification describing in detail the facts and cir-
19 cumstances supporting the President's conclusion.

20 (e) TRANSMISSION IN CLASSIFIED FORM.—If the
21 President considers it appropriate, a determination of the
22 President under this section, a prior notification under
23 subsection (c), and a written justification under subsection
24 (d), or appropriate parts thereof, may be transmitted in
25 classified form.

(f) EXCEPTION FOR CREW SAFETY.—

(1) EXCEPTION.—The National Aeronautics and Space Administration may make extraordinary payments in connection with the International Space Station to the Russian Aviation and Space Agency or any organization or entity under the jurisdiction or control of the Russian Aviation and Space Agency, or any subcontractor thereof, that would otherwise be prohibited under this section if the President notifies Congress in writing that such payments are necessary to prevent the imminent loss of life of or grievous injury to individuals aboard the International Space Station.

(2) REPORT.—Not later than 30 days after notifying Congress that the National Aeronautics and Space Administration will make extraordinary payments under paragraph (1), the President shall transmit to Congress a report describing—

(A) the extent to which the provisions of subsection (b) had been met as of the date of notification; and

(B) the measures that the National Aeronautics and Space Administration is taking to ensure that—

(i) the conditions posing a threat of imminent loss of life of or grievous injury to individuals aboard the International Space Station necessitating the extraordinary payments are not repeated; and

(ii) it is no longer necessary to make extraordinary payments in order to prevent imminent loss of life of or grievous injury to individuals aboard the International Space Station.

(g) SERVICE MODULE EXCEPTION.—

(1) IN GENERAL.—The National Aeronautics and Space Administration may make extraordinary payments in connection with the International Space Station to the Russian Aviation and Space Agency, any organization or entity under the jurisdiction or control of the Russian Aviation and Space Agency, or any subcontractor thereof, that would otherwise be prohibited under this section for the construction, testing, preparation, delivery, launch, or maintenance of the Service Module, and for the purchase (at a total cost not to exceed $14,000,000) of the pressure dome for the Interim Control Module and the Androgynous Peripheral Docking Adapter and

1 related hardware for the United States propulsion
2 module, if—
3 (A) the President has notified Congress at
4 least five days before making such payments;
5 (B) no report has been made under section
6 3(a) with respect to an activity of the entity to
7 receive such payment, and the President has no
8 credible information of any activity that would
9 require such a report; and
10 (C) the United States will receive goods or
11 services of value to the United States commen-
12 surate with the value of the extraordinary pay-
13 ments made.
14 (2) DEFINITION.—For purposes of this sub-
15 section, the term "maintenance" means activities
16 that cannot be performed by the National Aero-
17 nautics and Space Administration and which must
18 be performed in order for the Service Module to pro-
19 vide environmental control, life support, and orbital
20 maintenance functions which cannot be performed
21 by an alternative means at the time of payment.
22 (3) TERMINATION.—This subsection shall cease
23 to be effective on the date that is 60 days after the
24 date on which a United States propulsion module is
25 in place at the International Space Station.

1 (h) EXCEPTION.—No agency of the United States
2 Government may make extraordinary payments in connec-
3 tion with the International Space Station, or any other
4 payments in connection with the International Space Sta-
5 tion, to any foreign person subject to measures applied
6 pursuant to section 4 of Executive Order 12938 (Novem-
7 ber 14, 1994), as amended by Executive Order 13094
8 (July 28, 1998).
9 (i) REPORT ON CERTAIN PAYMENTS RELATED TO
10 INTERNATIONAL SPACE STATION.—
11 (1) IN GENERAL.—The President shall, to-
12 gether with each report submitted under section
13 3(a), transmit to the Committee on Foreign Rela-
14 tions of the Senate and the Committee on Foreign
15 Affairs of the House of Representatives a report
16 that identifies each Russian entity or person to
17 whom the United States Government has, since No-
18 vember 22, 2005, made a payment in cash or in
19 kind for work to be performed or services to be ren-
20 dered under the Agreement Concerning Cooperation
21 on the Civil International Space Station, with annex,
22 signed at Washington January 29, 1998, and en-
23 tered into force March 27, 2001, or any protocol,
24 agreement, memorandum of understanding, or con-
25 tract related thereto.

(2) CONTENT.—Each report transmitted under paragraph (1) shall include—

(A) the specific purpose of each payment made to each entity or person identified in such report; and

(B) with respect to each such payment, the assessment of the President that the payment was not prejudicial to the achievement of the objectives of the United States Government to prevent the proliferation of ballistic or cruise missile systems in Iran and other countries that have repeatedly provided support for acts of international terrorism, as determined by the Secretary of State under section 620A(a) of the Foreign Assistance Act of 1961 (22 U.S.C. 2371(a)), section 6(j) of the Export Administration Act of 1979 (50 U.S.C. App. 2405(j)), or section 40(d) of the Arms Export Control Act (22 U.S.C. 2780(d)).

SEC. 8. EXCLUSION FROM THE UNITED STATES OF SENIOR OFFICIALS OF FOREIGN PERSONS WHO HAVE AIDED PROLIFERATION RELATING TO IRAN.

(a) GROUNDS FOR EXCLUSION.—Except as provided in subsection (b), the Secretary of State shall deny a visa to, and the Secretary of Homeland Security shall exclude

1 from the United States, any alien whom the Secretary of
2 State determines is an alien who, on or after the date of
3 the enactment of this Act, is a—
4 (1) corporate officer, principal, or shareholder
5 with a controlling interest of a foreign person identi-
6 fied in a report submitted pursuant to section 3(a);
7 (2) corporate officer, principal, or shareholder
8 with a controlling interest of a successor entity to,
9 or a parent or subsidiary of, a foreign person identi-
10 fied in such a report;
11 (3) corporate officer, principal, or shareholder
12 with a controlling interest of an affiliate of a foreign
13 person identified in such a report, if such affiliate
14 engaged in the activities referred to in such report,
15 and if such affiliate is controlled in fact by the for-
16 eign person identified in such report;
17 (4) spouse, minor child, or agent of a person
18 excludable under paragraph (1), (2), or (3);
19 (5) senior official of a foreign government iden-
20 tified in such a report;
21 (6) senior official of a foreign government with
22 primary jurisdiction over a foreign person identified
23 in such a report; or
24 (7) spouse, minor child, or agent of a person
25 excludable under paragraph (5) or (6).

1 (b) EXCEPTION.—The President may waive denial of
2 a visa and exclusion from the United States described in
3 subsection (a) with respect to a person specified in para-
4 graph (5), (6), or (7) of subsection (a) if the President
5 determines and certifies in writing to the Committee on
6 Foreign Affairs and the Committee on Appropriations of
7 the House of Representatives and the Committee on For-
8 eign Relations and the Committee on Appropriations of
9 the Senate, on a case by case basis, that the foreign gov-
10 ernment with primary jurisdiction over such person has
11 made and continues to make clear, specific efforts to stop
12 and deter the transfer (as such term is defined in section
13 9) or retransfer of, or the permitting, hosting, or other
14 facilitating of transshipments that may enable the transfer
15 or retransfer of goods or technology that contribute to the
16 efforts by Iran to acquire or develop advanced conven-
17 tional weapons, or to acquire, develop, produce, or stock-
18 pile biological, chemical, radiological, or nuclear weapons
19 or long-range ballistic missiles cruise missiles.
20 (c) DEFINITIONS.—In this section—
21 (1) the term "advanced conventional weapons"
22 means goods, services, or technology listed on—
23 (A) the Wassenaar Arrangement list of
24 Dual Use Goods and Technologies and Muni-

1 tions list of July 12, 1996, and subsequent revi-
2 sions; or
3 (B) the Missile Technology Control Regime
4 Equipment and Technology Annex of June 11,
5 1996, and subsequent revisions; and
6 (2) the term "transshipment" means the trans-
7 fer of cargo from one vessel or conveyance to an-
8 other vessel for further transit to complete the voy-
9 age and carry the cargo to its ultimate destination.

10 **SEC. 9. PROHIBITION ON CERTAIN VESSELS LANDING IN**
11 **THE UNITED STATES; ENHANCED INSPEC-**
12 **TIONS.**

13 (a) PROHIBITION ON CERTAIN VESSELS LANDING IN
14 THE UNITED STATES.—Beginning on the date of the en-
15 actment of this Act, a vessel may not land at any port
16 in the United States to load or unload freight or engage
17 in the trade of goods or services if the vessel knowingly
18 entered a port in Iran, North Korea, or Syria during the
19 180-day period ending on the date of arrival of the vessel
20 at the port in the United States.

21 (b) ENFORCEMENT; ENHANCED INSPECTIONS.—Not
22 later than 180 days after the date of the enactment of
23 this Act, the Secretary of Homeland Security, in consulta-
24 tion with the Secretary of the Treasury and the Secretary
25 of Commerce, shall prescribe regulations that—

1 (1) require each vessel requesting to land at a
2 port in the United States to certify that the vessel
3 is not prohibited from landing at that port by reason
4 of the application of subsection (a);
5 (2) prohibit, for a period of two years, any ves-
6 sel that provides false certification under paragraph
7 (1) from landing at a port in the United States;
8 (3) provide a mechanism for identifying foreign
9 ports at which vessels have landed during the pre-
10 ceding 12-month period that have also landed at
11 ports in Iran, North Korea, or Syria during that pe-
12 riod;
13 (4) require an enhanced inspection of vessels
14 arriving in the United States from foreign ports
15 identified in paragraph (3); and
16 (5) set forth procedures for inspecting each ves-
17 sel described in paragraph (4) that are sufficiently
18 rigorous to establish whether the vessel was involved,
19 during the 12-month period preceding the arrival of
20 the vessel at the port in the United States, in any
21 activity that would be subject to sanctions under this
22 Act or any other provision of law.
23 (c) PORT DEFINED.—For purposes of this section,
24 the term "port" means a seaport or airport.

SEC. 10. SANCTIONS WITH RESPECT TO CRITICAL DEFENSE RESOURCES PROVIDED TO OR ACQUIRED FROM IRAN, NORTH KOREA, OR SYRIA.

(a) IN GENERAL.—The President shall apply the sanctions described in subsection (b) to any person the President determines is, on or after the date of the enactment of this Act, providing to, or acquiring from, Iran, North Korea, or Syria any good or technology that the President determines is used, or is likely to be used, for military applications.

(b) SANCTIONS DESCRIBED.—The sanctions described in this subsection are, with respect to a person described in subsection (a), the following:

(1) FOREIGN EXCHANGE.—Prohibiting any transactions in foreign exchange that are subject to the jurisdiction of the United States and in which that person has any interest.

(2) BANKING TRANSACTIONS.—Prohibiting any transfers of credit or payments between financial institutions or by, through, or to any financial institution, to the extent that such transfers or payments are subject to the jurisdiction of the United States and involve any interest of that person.

(3) PROPERTY TRANSACTIONS.—Prohibiting any person from—

1 (A) acquiring, holding, withholding, using,
2 transferring, withdrawing, transporting, import-
3 ing, or exporting any property that is subject to
4 the jurisdiction of the United States and with
5 respect to which the person described in sub-
6 section (a) has any interest;
7 (B) dealing in or exercising any right,
8 power, or privilege with respect to such prop-
9 erty; or
10 (C) conducting any transaction involving
11 such property.
12 (4) LOAN GUARANTEES.—Prohibiting the head
13 of any Federal agency from providing a loan guar-
14 antee to that person.
15 (c) RESTRICTIONS ON EXPORT LICENSES FOR NU-
16 CLEAR COOPERATION AND CERTAIN LOAN GUARAN-
17 TEES.—Before issuing a license for the exportation of any
18 article pursuant to an agreement for cooperation under
19 section 123 of the Atomic Energy Act of 1954 (42 U.S.C.
20 2153) or approving a loan guarantee or any other assist-
21 ance provided by the United States Government with re-
22 spect to a nuclear energy project, the Secretary of Energy,
23 the Secretary of Commerce, and the Nuclear Regulatory
24 Commission shall certify to Congress that issuing the li-
25 cense or approving the loan guarantee or other assistance

1 (as the case may be) will not permit the transfer of any
2 good or technology described in subsection (a) to Iran,
3 North Korea, or Syria.

4 **SEC. 11. DEFINITIONS.**

5 In this title:

6 (1) ADHERENT TO RELEVANT NONPROLIFERA-
7 TION REGIME.—A government is an "adherent" to a
8 "relevant nonproliferation regime" if such govern-
9 ment—

10 (A) is a member of the Nuclear Suppliers
11 Group with respect to a transfer of goods, serv-
12 ices, or technology described in section
13 3(a)(1)(A)(i);

14 (B) is a member of the Missile Technology
15 Control Regime with respect to a transfer of
16 goods, services, or technology described in sec-
17 tion 3(a)(1)(A)(ii), or is a party to a binding
18 international agreement with the United States
19 that was in effect on January 1, 1999, to con-
20 trol the transfer of such goods, services, or
21 technology in accordance with the criteria and
22 standards set forth in the Missile Technology
23 Control Regime;

(C) is a member of the Australia Group with respect to a transfer of goods, services, or technology described in section 3(a)(1)(A)(iii);

(D) is a party to the Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on Their Destruction with respect to a transfer of goods, services, or technology described in section 3(a)(1)(A)(iv); or

(E) is a member of the Wassenaar Arrangement with respect to a transfer of goods, services, or technology described in section 3(a)(1)(A)(v).

(2) APPROPRIATE CONGRESSIONAL COMMITTEES.—The term "appropriate congressional committees" means the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations and the Committee on Banking, Housing, and Urban Affairs of the Senate.

(3) EXTRAORDINARY PAYMENTS IN CONNECTION WITH THE INTERNATIONAL SPACE STATION.—The term "extraordinary payments in connection with the International Space Station" means payments in cash or in kind made or to be made by the United States Government—

(A) for work on the International Space Station which the Government of the Russian Federation pledged at any time to provide at its expense, or

(B) for work on the International Space Station, or for the purchase of goods or services relating to human space flight, that are not required to be made under the terms of a contract or other agreement that was in effect on January 1, 1999, as such terms were in effect on such date,

except that such term does not mean payments in cash or in kind made or to be made by the United States Government before July 1, 2016, for work to be performed or services to be rendered before such date necessary to meet United States obligations under the Agreement Concerning Cooperation on the Civil International Space Station, with annex, signed at Washington January 29, 1998, and entered into force March 27, 2001, or any protocol, agreement, memorandum of understanding, or contract related thereto.

(4) FOREIGN PERSON.—The term "foreign person" means—

(A) a natural person who is an alien;

(B) a corporation, business association, partnership, society, trust, or any other non-governmental entity, organization, or group, successor, subunit, or subsidiary organized under the laws of a foreign country or that has its principal place of business in a foreign country; and

(C) any foreign government, including any foreign governmental entity.

(5) 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 of such conduct, circumstance, or result.

(6) ORGANIZATION OR ENTITY UNDER THE JURISDICTION OR CONTROL OF THE RUSSIAN AVIATION AND SPACE AGENCY.—

(A) DEFINITION.—The term "organization or entity under the jurisdiction or control of the Russian Aviation and Space Agency" means an organization or entity that—

(i) was made part of the Russian Space Agency upon its establishment on February 25, 1992;

(ii) was transferred to the Russian Space Agency by decree of the Government of the Russian Federation on July 25, 1994, or May 12, 1998;

(iii) was or is transferred to the Russian Aviation and Space Agency or Russian Space Agency by decree of the Government of the Russian Federation at any other time before, on, or after March 14, 2000; or

(iv) is a joint stock company in which the Russian Aviation and Space Agency or Russian Space Agency has at any time held controlling interest.

(B) EXTENSION.—Any organization or entity described in subparagraph (A) shall be deemed to be under the jurisdiction or control of the Russian Aviation and Space Agency regardless of whether—

(i) such organization or entity, after being part of or transferred to the Russian Aviation and Space Agency or Russian Space Agency, is removed from or transferred out of the Russian Aviation and Space Agency or Russian Space Agency; or

(ii) the Russian Aviation and Space Agency or Russian Space Agency, after holding a controlling interest in such organization or entity, divests its controlling interest.

(7) SUBSIDIARY.—The term "subsidiary" means an entity (including a partnership, association, trust, joint venture, corporation, or other organization) of a parent company that controls, directly or indirectly, the other entity.

(8) TRANSFER OR TRANSFERRED.—The term "transfer" or "transferred", with respect to a good, service, or technology, includes—

(A) the conveyance of technological or intellectual property; and

(B) the conversion of technological or intellectual advances into marketable goods, services, or technology of value that is developed and generated in one location and transferred to another location through illegal or illicit means.

(9) UNITED STATES PERSON.—The term "United States person" means—

(A) a natural person who is a citizen or resident of the United States; or

(B) an entity that is organized under the laws of the United States or any State or territory thereof.

(10) VESSEL.—The term "vessel" has the meaning given such term in section 1081 of title 18, United States Code. Such term also includes aircraft, regardless of whether or not the type of aircraft at issue is described in such section.

SEC. 12. REPEAL OF IRAN, NORTH KOREA, AND SYRIA NONPROLIFERATION ACT.

(a) REPEAL.—The Iran, North Korea, and Syria Nonproliferation Act (50 U.S.C. 1701 note) is repealed.

(b) RULE OF CONSTRUCTION.—The repeal of the Iran, North Korea, and Syria Nonproliferation Act under subsection (a) shall not be construed to have the effect to release or extinguish any sanction or other penalty under such Act in effect on the day before the date of the enactment of this Act and such Act shall be treated as still remaining in force for the purpose of sustaining any proper action or prosecution for the enforcement of such sanction or other penalty.

(c) REFERENCES.—Any reference in a law, regulation, document, or other record of the United States to

1 the Iran, North Korea, and Syria Nonproliferation Act

2 shall be deemed to be a reference to this Act.

○

Chairman ROS-LEHTINEN. In addition, without objection, the bipartisan amendment in the nature of a substitute, which was provided to your offices on Monday, and which all members have before them, is made the pending business of the committee, is considered as read, and is open for amendment at any point.

[The amendment in the nature of a substitute follows:]

AMENDMENT IN THE NATURE OF A SUBSTITUTE TO H.R. 2105 OFFERED BY MS. ROS-LEHTINEN OF FLORIDA

Strike all after the enacting clause and insert the following:

1 **SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.**

2 (a) SHORT TITLE.—This Act may be cited as the
3 "Iran, North Korea, and Syria Nonproliferation Reform
4 and Modernization Act of 2011".

5 (b) TABLE OF CONTENTS.—The table of contents for
6 this Act is as follows:

Sec. 1. Short title and table of contents.
Sec. 2. Statement of policy.
Sec. 3. Reports on proliferation relating to Iran, North Korea, and Syria.
Sec. 4. Application of measures to certain foreign persons.
Sec. 5. Determination exempting a foreign person from the application of certain measures.
Sec. 6. Restrictions on nuclear cooperation with countries aiding proliferation by Iran, North Korea, or Syria.
Sec. 7. Restriction on extraordinary payments in connection with the International Space Station.
Sec. 8. Exclusion from the United States of senior officials of foreign persons who have aided proliferation relating to Iran.
Sec. 9. Prohibition on certain vessels landing in the United States; enhanced inspections.
Sec. 10. Sanctions with respect to critical defense resources provided to or acquired from Iran, North Korea, or Syria.
Sec. 11. Definitions.
Sec. 12. Repeal of Iran, North Korea, and Syria Nonproliferation Act.

7 **SEC. 2. STATEMENT OF POLICY.**

8 It shall be the policy of the United States to fully
9 implement and enforce sanctions against Iran, North

Korea, and Syria for their proliferation activities and policies.

SEC. 3. REPORTS ON PROLIFERATION RELATING TO IRAN, NORTH KOREA, AND SYRIA.

(a) REPORTS.—Not later than 90 days after the date of the enactment of this Act and every 120 days thereafter, the President shall transmit to the appropriate congressional committees a report identifying every foreign person with respect to whom there is credible information indicating that such person—

(1) on or after January 1, 1999, transferred to or acquired from Iran, on or after January 1, 2005, transferred to or acquired from Syria, or on or after January 1, 2006, transferred to or acquired from North Korea—

(A) goods, services, or technology listed on—

(i) the Nuclear Suppliers Group Guidelines for the Export of Nuclear Material, Equipment and Technology (published by the International Atomic Energy Agency as Information Circular INFCIRC/254/Rev. 3/Part 1, and subsequent revisions) and Guidelines for Transfers of Nuclear-Related Dual-Use Equipment, Material,

and Related Technology (published by the International Atomic Energy Agency as Information Circular INFCIRC/254/Rev. 3/Part 2, and subsequent revisions);

(ii) the Missile Technology Control Regime Equipment and Technology Annex of June 11, 1996, and subsequent revisions;

(iii) the lists of items and substances relating to biological and chemical weapons the export of which is controlled by the Australia Group;

(iv) the Schedule One or Schedule Two list of toxic chemicals and precursors the export of which is controlled pursuant to the Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on Their Destruction; or

(v) the Wassenaar Arrangement list of Dual Use Goods and Technologies and Munitions list of July 12, 1996, and subsequent revisions; or

(B) goods, services, or technology not listed on any list specified in subparagraph (A) but

which nevertheless would be, if such goods, services, or technology were United States goods, services, or technology, prohibited for export to Iran, North Korea, or Syria, as the case may be, because of the potential of such goods, services or technology to make a material contribution to the development of nuclear, biological, or chemical weapons, or of ballistic or cruise missile systems or destabilizing types and amounts of conventional weapons;

(2) except as provided in subsection (b), on or after the date of the enactment of this Act, acquired materials mined or otherwise extracted within the territory or control of Iran, North Korea, or Syria, as the case may be, for purposes relating to the nuclear, biological, or chemical weapons, or ballistic or cruise missile development programs of Iran, North Korea, or Syria, as the case may be;

(3) on or after the date of the enactment of this Act, transferred to Iran, Syria, or North Korea goods, services, or technology that could assist efforts to extract or mill uranium ore within the territory or control of Iran, North Korea, or Syria, as the case may be;

(4) on or after the date of the enactment of this Act, provided to Iran, Syria, or North Korea destabilizing types and amounts of conventional weapons and technical assistance; or

(5) on or after the date of the enactment of this Act, provided a vessel, insurance or reinsurance, or any other shipping service for the transportation of goods to or from Iran, North Korea, or Syria for purposes relating to the nuclear, biological, or chemical weapons, or ballistic or cruise missile development programs of Iran, North Korea, or Syria, as the case may be.

(b) EXCEPTIONS.—Any foreign person who—

(1) was identified in a report transmitted in accordance with subsection (a) on account of a particular transfer, or

(2) has engaged in a transfer on behalf of, or in concert with, the Government of the United States,

shall not be identified on account of that same transfer in any report submitted thereafter under this section, except to the degree that new information has emerged indicating that the particular transfer at issue may have continued, or been larger, more significant, or different in nature than previously reported under this section.

(c) TRANSMISSION IN CLASSIFIED FORM.—If the President considers it appropriate, reports transmitted in accordance with subsection (a), or appropriate parts thereof, may be transmitted in classified form.

(d) CONTENT OF REPORTS.—Each report required under subsection (a) shall contain, with respect to each foreign person identified in each such report, a brief description of the type and quantity of the goods, services, or technology transferred by such person to Iran, North Korea, or Syria, the circumstances surrounding such transfer, the usefulness to the nuclear, biological, or chemical weapons, or ballistic or cruise missile development programs of Iran, North Korea, or Syria of such transfer, and the probable awareness or lack thereof of the transfer on the part of the government with primary jurisdiction over such person.

(e) ADDITIONAL CONTENTS OF REPORTS.—Each report under subsection (a) shall contain a description, with respect the transfer or acquisition of the goods, services, or technology described in such subsection, of the actions taken by foreign governments to assist in interdicting such transfer or acquisition.

SEC. 4. APPLICATION OF MEASURES TO CERTAIN FOREIGN PERSONS.

(a) APPLICATION OF MEASURES.—Subject to section 5, the President shall apply, for a period of not less than two years, the measures specified in subsection (b) with respect to—

(1) each foreign person identified in a report transmitted under section 3(a);

(2) each person that is a successor, subunit, or subsidiary of a foreign person referred to in paragraph (1); and

(3) each person that owns more than 50 percent of, or controls in fact, a foreign person referred to in paragraph (1) or a person described in paragraph (2).

(b) DESCRIPTION OF MEASURES.—The measures referred to in subsection (a) are the following:

(1) EXECUTIVE ORDER 12938 PROHIBITIONS.—The measures specified in subsections (b), (c), and (d) of section 4 of Executive Order 12938 (50 U.S.C. 1701 note; relating to proliferation of weapons of mass destruction).

(2) ARMS EXPORT PROHIBITION.—Prohibition on United States Government sales to a person described in subsection (a) of any item on the United States Munitions List and termination of sales to

such person of any defense articles, defense services, or design and construction services under the Arms Export Control Act (22 U.S.C. 2751 et seq.).

(3) DUAL USE EXPORT PROHIBITION.—Denial of licenses and suspension of existing licenses for the transfer to a person described in subsection (a) of items the export of which is controlled under the Export Administration Act of 1979 (50 U.S.C. App. 2401 et seq.), as in effect pursuant to the International Emergency Economic Powers Act, or the Export Administration Regulations.

(4) INVESTMENT PROHIBITION.—Prohibition on any investment by a United States person in property, including entities, owned or controlled by a person described in subsection (a).

(5) FINANCING PROHIBITION.—Prohibition on any approval, financing, or guarantee by a United States person, wherever located, of a transaction by a person described in subsection (a).

(6) FINANCIAL ASSISTANCE PROHIBITION.—Denial by the United States Government of any credit, credit guarantees, grants, or other financial assistance by any agency of the United States Government to a person described in subsection (a).

(c) EFFECTIVE DATE.—Measures applied pursuant to subsection (a) shall be effective with respect to a foreign person no later than—

(1) 90 days after the report identifying the foreign person is submitted, if the report is submitted on or before the date required by section 3(a);

(2) 90 days after the date required by section 3(a) for submitting the report, if the report identifying the foreign person is submitted within 60 days after that date; or

(3) on the date that the report identifying the foreign person is submitted, if that report is submitted more than 60 days after the date required by section 3(a).

(d) PUBLICATION IN FEDERAL REGISTER.—

(1) IN GENERAL.—The Secretary of the Treasury shall publish in the Federal Register notice of the application against a person of measures pursuant to subsection (a).

(2) CONTENT.—Each notice published in accordance with paragraph (1) shall include the name and address (where known) of each person to which measures have been applied pursuant to subsection (a).

SEC. 5. DETERMINATION EXEMPTING A FOREIGN PERSON FROM THE APPLICATION OF CERTAIN MEASURES.

(a) IN GENERAL.—The application of any measure described in section 4(b) to a person described in section 4(a) shall cease to be effective beginning 15 days after the date on which the President determines and certifies to the appropriate congressional committees, on the basis of information provided by such person or otherwise obtained by the President, that—

(1) in the case of a transfer or acquisition of goods, services, or technology described in section 3(a)(1)—

(A) such person did not, on or after January 1, 1999, knowingly transfer to or acquire from Iran, North Korea, or Syria, as the case may be, such goods, services, or technology the apparent transfer of which caused such person to be identified in a report submitted pursuant to section 3(a);

(B) the goods, services, or technology the transfer of which caused such person to be identified in a report submitted pursuant to section 3(a) did not contribute to the efforts of Iran, North Korea, or Syria, as the case may be, to develop—

(i) nuclear, biological, or chemical weapons, or ballistic or cruise missile systems, or weapons listed on the Wassenaar Arrangement Munitions List of July 12, 1996, or any subsequent revision of such List; or

(ii) destabilizing types or amounts of conventional weapons or acquire technical assistance;

(C) such person is subject to the primary jurisdiction of a government that is an adherent to one or more relevant nonproliferation regimes, such person was identified in a report submitted pursuant to section 3(a) with respect to a transfer of goods, services, or technology described in section 3(a)(1)(A), and such transfer was made in accordance with the guidelines and parameters of all such relevant regimes of which such government is an adherent; or

(D) the government with primary jurisdiction over such person has imposed meaningful penalties on such person on account of the transfer of such goods, services, or technology that caused such person to be identified in a report submitted pursuant to section 3(a);

(2) in the case of an acquisition of materials mined or otherwise extracted within the territory of Iran, North Korea, or Syria, as the case may be, described in section 3(a)(2) for purposes relating to the nuclear, biological, or chemical weapons, or ballistic or cruise missile development programs of Iran, North Korea, or Syria, as the case may be, such person did not acquire such materials; or

(3) in the case of the provision of a vessel, insurance or reinsurance, or another shipping service for the transportation of goods to or from Iran, North Korea, or Syria, as the case may be, described in section 3(a)(3) for purposes relating to the nuclear, biological, or chemical weapons, or ballistic or cruise missile development programs of Iran, North Korea, or Syria, as the case may be, such person did not provide such a vessel or service.

(b) OPPORTUNITY TO PROVIDE INFORMATION.—Congress urges the President—

(1) in every appropriate case, to contact in a timely fashion each person described in section 3(a), or the government with primary jurisdiction over such person, in order to afford such person, or such government, the opportunity to provide explanatory, exculpatory, or other additional information with re-

spect to the transfer that caused such person to be identified in a report submitted pursuant to section 3(a); and

(2) to exercise the authority described in subsection (a) in all cases in which information obtained from each person described in section 3(a), or from the government with primary jurisdiction over such person, establishes that the exercise of such authority is warranted.

(c) FORM OF TRANSMISSION.—

(1) IN GENERAL.—Except as provided in paragraph (2), the determination and report of the President under subsection (a) shall be transmitted in unclassified form.

(2) EXCEPTION.—The determination and report of the President under subsection (a) may be transmitted in classified form if the President certifies to the appropriate congressional committees that it is vital to the national security interests of the United States to do so.

SEC. 6. RESTRICTIONS ON NUCLEAR COOPERATION WITH COUNTRIES AIDING PROLIFERATION BY IRAN, NORTH KOREA, OR SYRIA.

(a) IN GENERAL.—

1 (1) RESTRICTIONS.—Notwithstanding any other
2 provision of law, on or after the date of the enact-
3 ment of this Act—
4 (A) no agreement for cooperation between
5 the United States and the government of any
6 country that is assisting the nuclear program of
7 Iran, North Korea, or Syria, or transferring ad-
8 vanced conventional weapons or missiles to
9 Iran, North Korea, or Syria may be submitted
10 to the President or to Congress pursuant to
11 section 123 of the Atomic Energy Act of 1954
12 (42 U.S.C. 2153);
13 (B) no such agreement may enter into
14 force with respect to such country;
15 (C) no license may be issued for export di-
16 rectly or indirectly to such country of any nu-
17 clear material, facilities, components, or other
18 goods, services, or technology that would be
19 subject to such agreement; and
20 (D) no approval may be given for the
21 transfer or retransfer directly or indirectly to
22 such country of any nuclear material, facilities,
23 components, or other goods, services, or tech-
24 nology that would be subject to such agreement,

until the President makes the determination and report under paragraph (2).

(2) DETERMINATION AND REPORT.—The determination and report referred to in paragraph (1)(D) are a determination and report by the President, submitted to the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate, that—

(A) Iran, North Korea, or Syria, as the case may, has ceased its efforts to design, develop, or acquire a nuclear explosive device or related materials or technology; or

(B) the government of the country that is assisting the nuclear programs of Iran, North Korea, or Syria, as the case may be, or transferring advanced conventional weapons or missiles to Iran, North Korea, or Syria, as the case may be—

(i) has suspended all nuclear assistance to Iran, North Korea, or Syria, as the case may be, and all transfers of advanced conventional weapons and missiles to Iran, North Korea, or Syria, as the case may be; and

(ii) is committed to maintaining that suspension until Iran, North Korea, or Syria, as the case may be, has implemented measures that would permit the President to make the determination described in subparagraph (A).

(b) RULES OF CONSTRUCTION.—The restrictions described in subsection (a)(1)—

(1) shall apply in addition to all other applicable procedures, requirements, and restrictions described in the Atomic Energy Act of 1954 and other applicable Acts; and

(2) shall not be construed as affecting the validity of an agreement for cooperation between the United States and the government of a country that is in effect on the date of the enactment of this Act.

(c) DEFINITIONS.—In this section:

(1) AGREEMENT FOR COOPERATION.—The term "agreement for cooperation" has the meaning given that term in section 11 b. of the Atomic Energy Act of 1954 (42 U.S.C. 2014 b.).

(2) ASSISTING THE NUCLEAR PROGRAM OF IRAN, NORTH KOREA, OR SYRIA.—The term "assisting the nuclear program of Iran, North Korea, or Syria" means the intentional transfer to Iran, North

1 Korea, or Syria by a government, or by a person
2 subject to the jurisdiction of a government with the
3 knowledge and acquiescence of that government, of
4 goods, services, or technology listed on the Nuclear
5 Suppliers Group Guidelines for the Export of Nu-
6 clear Material, Equipment and Technology (pub-
7 lished by the International Atomic Energy Agency as
8 Information Circular INFCIRC/254/Rev. 3/Part 1,
9 and subsequent revisions), or the Nuclear Suppliers
10 Group Guidelines for Transfers of Nuclear-Related
11 Dual-Use Equipment, Material, and Related Tech-
12 nology (published by the International Atomic En-
13 ergy Agency as Information Circular INFCIR/254/
14 Rev. 3/Part 2, and subsequent revisions).

15 (3) COUNTRY THAT IS ASSISTING THE NU-
16 CLEAR PROGRAMS OF IRAN, NORTH KOREA, OR
17 SYRIA OR TRANSFERRING ADVANCED CONVENTIONAL
18 WEAPONS OR MISSILES TO IRAN, NORTH KOREA, OR
19 SYRIA.—The term "country that is assisting the nu-
20 clear program of Iran, North Korea, or Syria or
21 transferring advanced conventional weapons or mis-
22 siles to Iran, North Korea, or Syria" means—

23 (A) the Russian Federation; and

24 (B) any other country determined by the
25 President to be assisting the nuclear program

of Iran, North Korea, or Syria or transferring advanced conventional weapons or missiles to Iran, North Korea, or Syria.

(4) TRANSFER.—The term "transfer" means the conveyance of technological or intellectual property, or the conversion of intellectual or technological advances into marketable goods, services, or articles of value, developed and generated in one place, to another through illegal or illicit means to a country, the government of which the Secretary of State has determined, for purposes of section 6(j)(1)(A) of the Export Administration Act of 1979 (as in effect pursuant to the International Emergency Economic Powers Act; 50 U.S.C. 1701 et seq.), section 40(d) of the Arms Export Control Act (22 U.S.C. 2780(d)), and section 620A of the Foreign Assistance Act of 1961 (22 U.S.C. 2371), is a government that has repeatedly provided support for acts of international terrorism.

(5) TRANSFERRING ADVANCED CONVENTIONAL WEAPONS OR MISSILES TO IRAN, NORTH KOREA, OR SYRIA.—The term "transferring advanced conventional weapons or missiles to Iran, North Korea, or Syria" means the intentional transfer to Iran, North Korea, or Syria by a government, or by a person

subject to the jurisdiction of a government with the knowledge and acquiescence of that government, of goods, services, or technology listed on—

(A) the Wassenaar Arrangement list of Dual Use Goods and Technologies and Munitions list of July 12, 1996, and subsequent revisions; or

(B) the Missile Technology Control Regime Equipment and Technology Annex of June 11, 1996, and subsequent revisions.

SEC. 7. RESTRICTION ON EXTRAORDINARY PAYMENTS IN CONNECTION WITH THE INTERNATIONAL SPACE STATION.

(a) RESTRICTION.—

(1) IN GENERAL.—Notwithstanding any other provision of law, no agency of the United States Government may make extraordinary payments in connection with the International Space Station to the Russian Aviation and Space Agency, any organization or entity under the jurisdiction or control of the Russian Aviation and Space Agency, or any other organization, entity, or element of the Government of the Russian Federation, unless, during the fiscal year in which such extraordinary payments are to be made, the President has made the determina-

1 tion described in subsection (b), and reported such
2 determination to the Committee on Foreign Affairs
3 and the Committee on Science and Technology of
4 the House of Representatives and the Committee on
5 Foreign Relations and the Committee on Commerce,
6 Science, and Transportation of the Senate.

7 (2) WAIVER.—If the President is unable to
8 make the determination described in subsection (b)
9 with respect to a fiscal year in which extraordinary
10 payments in connection with the International Space
11 Station are to be made, the President is authorized
12 to waive the application of paragraph (1) on a case-
13 by-case basis with respect to the fiscal year if not
14 less than 15 days prior to the date on which the
15 waiver is to take effect the President submits to the
16 appropriate congressional committees a report that
17 contains—

18 (A) the reasons why the determination de-
19 scribed in subsection (b) cannot be made;

20 (B) the amount of the extraordinary pay-
21 ment to be made under the waiver;

22 (C) the steps being undertaken by the
23 United States to ensure compliance by the Rus-
24 sian Federation with the conditions described in
25 subsection (b); and

(D) a determination of the President that the waiver is vital to the national interests of the United States.

(b) DETERMINATION REGARDING RUSSIAN COOPERATION IN PREVENTING PROLIFERATION RELATING TO IRAN, NORTH KOREA, AND SYRIA.—The determination referred to in subsection (a) is a determination by the President that—

(1) it is the policy of the Government of the Russian Federation (including the law enforcement, export promotion, export control, and intelligence agencies of such Government) to oppose the proliferation to or from Iran, North Korea, and Syria of weapons of mass destruction and missile systems capable of delivering such weapons;

(2) the Government of the Russian Federation (including the law enforcement, export promotion, export control, and intelligence agencies of such Government) has demonstrated and continues to demonstrate a sustained commitment to seek out and prevent the transfer to or from Iran, North Korea, and Syria of goods, services, and technology that could make a material contribution to the nuclear, biological, or chemical weapons, or of ballistic or

1 cruise missile systems development programs of
2 Iran; and
3 (3) neither the Russian Aviation and Space
4 Agency, nor any organization or entity under the ju-
5 risdiction or control of the Russian Aviation and
6 Space Agency, has, during the one-year period end-
7 ing on the date of the determination under this sub-
8 section made transfers to or from Iran, North
9 Korea, or Syria reportable under section 3(a) (other
10 than transfers with respect to which a determination
11 pursuant to section 5 has been or will be made).
12 (c) PRIOR NOTIFICATION.—Not less than five days
13 before making a determination under this section, the
14 President shall notify the Committee on Foreign Affairs
15 and the Committee on Science, Space, and Technology of
16 the House of Representatives and the Committee on For-
17 eign Relations and the Committee on Commerce, Science,
18 and Transportation of the Senate of the President's inten-
19 tion to make such a determination.
20 (d) WRITTEN JUSTIFICATION.—A determination of
21 the President under this section shall include a written
22 justification describing in detail the facts and cir-
23 cumstances supporting the President's conclusion.
24 (e) TRANSMISSION IN CLASSIFIED FORM.—If the
25 President considers it appropriate, a determination of the

President under this section, a prior notification under subsection (c), and a written justification under subsection (d), or appropriate parts thereof, may be transmitted in classified form.

(f) EXCEPTION FOR CREW SAFETY.—

(1) EXCEPTION.—The National Aeronautics and Space Administration may make extraordinary payments in connection with the International Space Station to the Russian Aviation and Space Agency or any organization or entity under the jurisdiction or control of the Russian Aviation and Space Agency, or any subcontractor thereof, that would otherwise be prohibited under this section if the President notifies Congress in writing that such payments are necessary to prevent the imminent loss of life of or grievous injury to individuals aboard the International Space Station.

(2) REPORT.—Not later than 30 days after notifying Congress that the National Aeronautics and Space Administration will make extraordinary payments under paragraph (1), the President shall transmit to Congress a report describing—

(A) the extent to which the provisions of subsection (b) had been met as of the date of notification; and

(B) the measures that the National Aeronautics and Space Administration is taking to ensure that—

(i) the conditions posing a threat of imminent loss of life of or grievous injury to individuals aboard the International Space Station necessitating the extraordinary payments are not repeated; and

(ii) it is no longer necessary to make extraordinary payments in order to prevent imminent loss of life of or grievous injury to individuals aboard the International Space Station.

(g) SERVICE MODULE EXCEPTION.—

(1) IN GENERAL.—The National Aeronautics and Space Administration may make extraordinary payments in connection with the International Space Station to the Russian Aviation and Space Agency, any organization or entity under the jurisdiction or control of the Russian Aviation and Space Agency, or any subcontractor thereof, that would otherwise be prohibited under this section for the construction, testing, preparation, delivery, launch, or maintenance of the Service Module, and for the purchase (at a total cost not to exceed $14,000,000) of the

pressure dome for the Interim Control Module and the Androgynous Peripheral Docking Adapter and related hardware for the United States propulsion module, if—

(A) the President has notified Congress at least five days before making such payments;

(B) no report has been made under section 3(a) with respect to an activity of the entity to receive such payment, and the President has no credible information of any activity that would require such a report; and

(C) the United States will receive goods or services of value to the United States commensurate with the value of the extraordinary payments made.

(2) DEFINITION.—For purposes of this subsection, the term "maintenance" means activities that cannot be performed by the National Aeronautics and Space Administration and which must be performed in order for the Service Module to provide environmental control, life support, and orbital maintenance functions which cannot be performed by an alternative means at the time of payment.

(3) TERMINATION.—This subsection shall cease to be effective on the date that is 60 days after the

1 date on which a United States propulsion module is
2 in place at the International Space Station.
3 (h) EXCEPTION.—No agency of the United States
4 Government may make extraordinary payments in connec-
5 tion with the International Space Station, or any other
6 payments in connection with the International Space Sta-
7 tion, to any foreign person subject to measures applied
8 pursuant to section 4 of Executive Order 12938 (Novem-
9 ber 14, 1994), as amended by Executive Order 13094
10 (July 28, 1998).
11 (i) REPORT ON CERTAIN PAYMENTS RELATED TO
12 INTERNATIONAL SPACE STATION.—
13 (1) IN GENERAL.—The President shall, to-
14 gether with each report submitted under section
15 3(a), transmit to the Committee on Foreign Rela-
16 tions of the Senate and the Committee on Foreign
17 Affairs of the House of Representatives a report
18 that identifies each Russian entity or person to
19 whom the United States Government has, since No-
20 vember 22, 2005, made a payment in cash or in
21 kind for work to be performed or services to be ren-
22 dered under the Agreement Concerning Cooperation
23 on the Civil International Space Station, with annex,
24 signed at Washington January 29, 1998, and en-
25 tered into force March 27, 2001, or any protocol,

1 agreement, memorandum of understanding, or con-
2 tract related thereto.
3 (2) CONTENT.—Each report transmitted under
4 paragraph (1) shall include—
5 (A) the specific purpose of each payment
6 made to each entity or person identified in such
7 report; and
8 (B) with respect to each such payment, the
9 assessment of the President that the payment
10 was not prejudicial to the achievement of the
11 objectives of the United States Government to
12 prevent the proliferation of ballistic or cruise
13 missile systems in Iran and other countries that
14 have repeatedly provided support for acts of
15 international terrorism, as determined by the
16 Secretary of State under section 620A(a) of the
17 Foreign Assistance Act of 1961 (22 U.S.C.
18 2371(a)), section 6(j) of the Export Adminis-
19 tration Act of 1979 (50 U.S.C. App. 2405(j)),
20 or section 40(d) of the Arms Export Control
21 Act (22 U.S.C. 2780(d)).

1 **SEC. 8. EXCLUSION FROM THE UNITED STATES OF SENIOR**
2 **OFFICIALS OF FOREIGN PERSONS WHO HAVE**
3 **AIDED PROLIFERATION RELATING TO IRAN.**

4 (a) GROUNDS FOR EXCLUSION.—Except as provided
5 in subsection (b), the Secretary of State shall deny a visa
6 to, and the Secretary of Homeland Security shall exclude
7 from the United States, any alien whom the Secretary of
8 State determines is an alien who, on or after the date of
9 the enactment of this Act, is a—

10 (1) corporate officer, principal, or shareholder
11 with a controlling interest of a foreign person identi-
12 fied in a report submitted pursuant to section 3(a);

13 (2) corporate officer, principal, or shareholder
14 with a controlling interest of a successor entity to,
15 or a parent or subsidiary of, a foreign person identi-
16 fied in such a report;

17 (3) corporate officer, principal, or shareholder
18 with a controlling interest of an affiliate of a foreign
19 person identified in such a report, if such affiliate
20 engaged in the activities referred to in such report,
21 and if such affiliate is controlled in fact by the for-
22 eign person identified in such report; or

23 (4) spouse, minor child, or agent of a person
24 excludable under paragraph (1), (2), or (3).

25 (b) EXCEPTION.—The President may waive denial of
26 a visa and exclusion from the United States described in

1 subsection (a) with respect to a person specified in para-
2 graph (5), (6), or (7) of subsection (a) if the President
3 determines and certifies in writing to the Committee on
4 Foreign Affairs and the Committee on Appropriations of
5 the House of Representatives and the Committee on For-
6 eign Relations and the Committee on Appropriations of
7 the Senate, on a case by case basis, that the foreign gov-
8 ernment with primary jurisdiction over such person has
9 made and continues to make clear, specific efforts to stop
10 and deter the transfer (as such term is defined in section
11 9) or retransfer of, or the permitting, hosting, or other
12 facilitating of transshipments that may enable the transfer
13 or retransfer of goods or technology that contribute to the
14 efforts by Iran, Syria, or North Korea to acquire or de-
15 velop advanced conventional weapons, or to acquire, de-
16 velop, produce, or stockpile biological, chemical, radio-
17 logical, or nuclear weapons or long-range ballistic missiles,
18 cruise missiles, or destabilizing types and amounts of con-
19 ventional weapons.
20 (c) DEFINITIONS.—In this section—
21 (1) the term "advanced conventional weapons"
22 means goods, services, or technology listed on—
23 (A) the Wassenaar Arrangement list of
24 Dual Use Goods and Technologies and Muni-

tions list of July 12, 1996, and subsequent revisions; or

(B) the Missile Technology Control Regime Equipment and Technology Annex of June 11, 1996, and subsequent revisions; and

(2) the term "transshipment" means the transfer of cargo from one vessel or conveyance to another vessel for further transit to complete the voyage and carry the cargo to its ultimate destination.

SEC. 9. PROHIBITION ON CERTAIN VESSELS LANDING IN THE UNITED STATES; ENHANCED INSPECTIONS.

The Ports and Waterways Safety Act (33 U.S.C. 1221 et seq.) is amended by adding at the end the following:

"SEC. 16. PROHIBITION ON CERTAIN VESSELS LANDING IN THE UNITED STATES; ENHANCED INSPECTIONS.

"(a) CERTIFICATION REQUIREMENT.—

"(1) IN GENERAL.—Beginning on the date of enactment of the Iran, North Korea, and Syria Nonproliferation Reform and Modernization Act of 2011, before a vessel arrives at a port in the United States, the owner, charterer, operator, or master of the vessel shall certify that the vessel did not enter

1 a port in Iran, North Korea, or Syria during the
2 180-day period ending on the date of arrival of the
3 vessel at the port in the United States.
4 "(2) FALSE CERTIFICATIONS.—The Secretary
5 shall prohibit from landing at a port in the United
6 States for a period of at least 2 years—
7 "(A) any vessel for which a false certifi-
8 cation was made under section (a); and
9 "(B) any other vessel owned by a parent
10 corporation, partnership, association, or indi-
11 vidual proprietorship of the vessel for which the
12 false certification was made.
13 "(b) ENHANCED INSPECTIONS.—The Secretary
14 shall—
15 "(1) identify foreign ports at which vessels have
16 landed during the preceding 12-month period that
17 have also landed at ports in Iran, North Korea, or
18 Syria during that period; and
19 "(2) inspect vessels arriving in the United
20 States from foreign ports identified under paragraph
21 (1) to establish whether the vessel was involved, dur-
22 ing the 12-month period ending on the date of ar-
23 rival of the vessel at the port in the United States,
24 in any activity that would be subject to sanctions
25 under the Iran, North Korea, and Syria Non-

1 proliferation Reform and Modernization Act of
2 2011.".

3 **SEC. 10. SANCTIONS WITH RESPECT TO CRITICAL DEFENSE**
4 **RESOURCES PROVIDED TO OR ACQUIRED**
5 **FROM IRAN, NORTH KOREA, OR SYRIA.**

6 (a) IN GENERAL.—The President shall apply the
7 sanctions described in subsection (b) to any person the
8 President determines is, on or after the date of the enact-
9 ment of this Act, providing to, or acquiring from, Iran,
10 North Korea, or Syria any good or technology that the
11 President determines is used, or is likely to be used, for
12 military applications.

13 (b) SANCTIONS DESCRIBED.—The sanctions de-
14 scribed in this subsection are, with respect to a person
15 described in subsection (a), the following:

16 (1) FOREIGN EXCHANGE.—Prohibiting any
17 transactions in foreign exchange that are subject to
18 the jurisdiction of the United States and in which
19 that person has any interest.

20 (2) BANKING TRANSACTIONS.—Prohibiting any
21 transfers of credit or payments between financial in-
22 stitutions or by, through, or to any financial institu-
23 tion, to the extent that such transfers or payments
24 are subject to the jurisdiction of the United States
25 and involve any interest of that person.

(3) PROPERTY TRANSACTIONS.—Prohibiting any person from—

(A) acquiring, holding, withholding, using, transferring, withdrawing, transporting, importing, or exporting any property that is subject to the jurisdiction of the United States and with respect to which the person described in subsection (a) has any interest;

(B) dealing in or exercising any right, power, or privilege with respect to such property; or

(C) conducting any transaction involving such property.

(4) LOAN GUARANTEES.—Prohibiting the head of any Federal agency from providing a loan guarantee to that person.

(c) RESTRICTIONS ON EXPORT LICENSES FOR NUCLEAR COOPERATION AND CERTAIN LOAN GUARANTEES.—Before issuing a license for the exportation of any article pursuant to an agreement for cooperation under section 123 of the Atomic Energy Act of 1954 (42 U.S.C. 2153) or approving a loan guarantee or any other assistance provided by the United States Government with respect to a nuclear energy project, the Secretary of Energy, the Secretary of Commerce, and the Nuclear Regulatory

1 Commission shall certify to Congress that issuing the li-
2 cense or approving the loan guarantee or other assistance
3 (as the case may be) will not permit the transfer of any
4 good or technology described in subsection (a) to Iran,
5 North Korea, or Syria.

6 **SEC. 11. DEFINITIONS.**

7 In this Act:

8 (1) ADHERENT TO RELEVANT NONPROLIFERA-
9 TION REGIME.—A government is an "adherent" to a
10 "relevant nonproliferation regime" if such govern-
11 ment—

12 (A) is a member of the Nuclear Suppliers
13 Group with respect to a transfer of goods, serv-
14 ices, or technology described in section
15 3(a)(1)(A)(i);

16 (B) is a member of the Missile Technology
17 Control Regime with respect to a transfer of
18 goods, services, or technology described in sec-
19 tion 3(a)(1)(A)(ii), or is a party to a binding
20 international agreement with the United States
21 that was in effect on January 1, 1999, to con-
22 trol the transfer of such goods, services, or
23 technology in accordance with the criteria and
24 standards set forth in the Missile Technology
25 Control Regime;

(C) is a member of the Australia Group with respect to a transfer of goods, services, or technology described in section 3(a)(1)(A)(iii);

(D) is a party to the Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on Their Destruction with respect to a transfer of goods, services, or technology described in section 3(a)(1)(A)(iv); or

(E) is a member of the Wassenaar Arrangement with respect to a transfer of goods, services, or technology described in section 3(a)(1)(A)(v).

(2) APPROPRIATE CONGRESSIONAL COMMITTEES.—The term "appropriate congressional committees" means the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations and the Committee on Banking, Housing, and Urban Affairs of the Senate.

(3) EXTRAORDINARY PAYMENTS IN CONNECTION WITH THE INTERNATIONAL SPACE STATION.—The term "extraordinary payments in connection with the International Space Station" means payments in cash or in kind made or to be made by the United States Government—

(A) for work on the International Space Station which the Government of the Russian Federation pledged at any time to provide at its expense, or

(B) for work on the International Space Station, or for the purchase of goods or services relating to human space flight, that are not required to be made under the terms of a contract or other agreement that was in effect on January 1, 1999, as such terms were in effect on such date,

except that such term does not mean payments in cash or in kind made or to be made by the United States Government before December 31, 2020, for work to be performed or services to be rendered before such date necessary to meet United States obligations under the Agreement Concerning Cooperation on the Civil International Space Station, with annex, signed at Washington January 29, 1998, and entered into force March 27, 2001, or any protocol, agreement, memorandum of understanding, or contract related thereto.

(4) FOREIGN PERSON.—The term "foreign person" means—

(A) a natural person who is an alien;

(B) a corporation, business association, partnership, society, trust, or any other non-governmental entity, organization, or group, successor, subunit, or subsidiary organized under the laws of a foreign country or that has its principal place of business in a foreign country; and

(C) any foreign government, including any foreign governmental entity.

(5) 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 of such conduct, circumstance, or result.

(6) ORGANIZATION OR ENTITY UNDER THE JURISDICTION OR CONTROL OF THE RUSSIAN AVIATION AND SPACE AGENCY.—

(A) DEFINITION.—The term "organization or entity under the jurisdiction or control of the Russian Aviation and Space Agency" means an organization or entity that—

(i) was made part of the Russian Space Agency upon its establishment on February 25, 1992;

(ii) was transferred to the Russian Space Agency by decree of the Government of the Russian Federation on July 25, 1994, or May 12, 1998;

(iii) was or is transferred to the Russian Aviation and Space Agency or Russian Space Agency by decree of the Government of the Russian Federation at any other time before, on, or after March 14, 2000; or

(iv) is a joint stock company in which the Russian Aviation and Space Agency or Russian Space Agency has at any time held controlling interest.

(B) EXTENSION.—Any organization or entity described in subparagraph (A) shall be deemed to be under the jurisdiction or control of the Russian Aviation and Space Agency regardless of whether—

(i) such organization or entity, after being part of or transferred to the Russian Aviation and Space Agency or Russian Space Agency, is removed from or transferred out of the Russian Aviation and Space Agency or Russian Space Agency; or

(ii) the Russian Aviation and Space Agency or Russian Space Agency, after holding a controlling interest in such organization or entity, divests its controlling interest.

(7) SUBSIDIARY.—The term "subsidiary" means an entity (including a partnership, association, trust, joint venture, corporation, or other organization) of a parent company that controls, directly or indirectly, the other entity.

(8) TRANSFER OR TRANSFERRED.—The term "transfer" or "transferred", with respect to a good, service, or technology, includes—

(A) the conveyance of technological or intellectual property; and

(B) the conversion of technological or intellectual advances into marketable goods, services, or technology of value that is developed and generated in one location and transferred to another location through illegal or illicit means.

(9) UNITED STATES PERSON.—The term "United States person" means—

(A) a natural person who is a citizen or resident of the United States; or

(B) an entity that is organized under the laws of the United States or any State or territory thereof.

(10) VESSEL.—The term "vessel" has the meaning given such term in section 1081 of title 18, United States Code. Such term also includes aircraft, regardless of whether or not the type of aircraft at issue is described in such section.

(11) TECHNICAL ASSISTANCE.—The term "technical assistance" means providing of advice, assistance, and training pertaining to the installation, operation, and maintenance of equipment for destabilizing types and forms of conventional weapons.

SEC. 12. REPEAL OF IRAN, NORTH KOREA, AND SYRIA NONPROLIFERATION ACT.

(a) REPEAL.—The Iran, North Korea, and Syria Nonproliferation Act (50 U.S.C. 1701 note) is repealed.

(b) REFERENCES.—Any reference in a law, regulation, document, or other record of the United States to the Iran, North Korea, and Syria Nonproliferation Act shall be deemed to be a reference to this Act.

☒

Chairman ROS-LEHTINEN. I now recognize myself for remarks on the measure.

Today, we are considering H.R. 2105, the Iran, Syria, and North Korea Nonproliferation Modernization and Reform Act, for which there is an amendment in the nature of a substitute.

The legislation has a finer focus than ITRA's broad reach, namely on those persons or countries which are directly assisting Iran's efforts to acquire or develop weapons of mass destruction, especially its nuclear program, as well as missiles and other advanced conventional weapons.

It is not possible to stop Iran's nuclear weapons program without targeting its nuclear program as a whole, because there is no safe dividing line between those activities and facilities that are purely peaceful and those which are military-related. Even seemingly safe material, such as low-enriched uranium, can be used in radiological devices. So we have no choice but to target the entire sector, which, I might add, is the subject of the U.N. Security Council resolutions, as well, which call for a halt to Iran's entire nuclear program.

Those penalties necessarily must include prohibiting U.S. nuclear cooperation with countries which either assist or allow their citizens to assist Iran's WMD program. The amendment in the nature of a substitute which is being offered adds some new and important measures, including changing the reporting requirement from every 6 months to every 4 months and expanding the range of actions covered; also, denying an exemption to those assisting the acquisition by Iran, North Korea, or Syria of destabilizing amounts of conventional weapons; and tightening the prohibition on landing rights in the U.S. regarding vessels that have visited ports in Iran, North Korea, or Syria in the preceding 2 years.

I believe this amendment strengthens the legislation, and I urge my colleagues to vote for its adoption.

And I now turn to my friend, the ranking member, for remarks that he would care to make.

Mr. BERMAN. Thank you, Madam Chairman.

The Iran, North Korea, and Syria Nonproliferation Sanctions Act—we call it "INKSNA"—was initiated by Chairman Ben Gilman, and it forced the United States Government to review all intelligence or credible evidence regarding sensitive transfers of goods and services related to WMD missiles or conventional weapons and made such transfers sanctionable acts.

While the reports required by INKSNA are 2 years behind schedule, an ongoing problem that has plagued successive administrations, we have frequently seen new rounds of sanctions issued against companies and individuals who are more interested in making a buck than in protecting the global security environment.

The specific details of sanction transfers are classified, but press reports indicated INKSNA sanctions have been imposed, for example, on Chinese entities for selling carbon fiber and pressure transducers—did you hear that, Mr. Rohrabacher—which would assist Iran in building more advanced gas centrifuges. Multiple Russian, Chinese, and even the European weapons exporters have been sanctioned, presumably for the transfer of arms to Iran and Syria, and Chinese chemical supply companies have been repeatedly sanctioned.

This bill, as amended by the amendment in the nature of a substitute, strengthens INKSNA by making sensitive transfers subject to the full range of sanctions enacted under CISADA. It also extends the waiver of INKSNA prohibitions on payments to Russia for ferrying U.S. Astronauts to the International Space Station to 2016 from until the end of 2012.

I would like to change the chairman for agreeing to support an amendment to address my concerns about the way the underlying bill deals with Russia. I have a number of other ideas about ways to strengthen INKSNA, dealing with expediting the delayed reports and some other issues. But rather than—I look forward to working with the chairman on these strengthening provisions as the process goes forward.

And I support the bill and urge my colleagues to do the same.

Chairman ROS-LEHTINEN. Thank you so much, Mr. Berman.

I understand that Mr. Rohrabacher of California would like to engage in a colloquy regarding a section of this legislation regarding payments to Russians. And I would like to recognize Mr. Rohrabacher at this time.

Mr. ROHRABACHER. Thank you very much, Madam Chairman.

And I thank the ranking member for being so diligent about the Chinese threat, as well. Thank you.

Madam Chairman, as you are aware, for several years American firms have been encouraged to develop new commercial cargo and new crew transportation services to the International Space Station; this is so we will not be totally dependent on Russia for those transportation services now that the space shuttle has been retired.

As a senior member of the Science Committee, I have been following these events very closely. Some of these new services that we are developing here will be using some Russia hardware in their rockets, but the total amount of money flowing to Russia overall will be greatly reduced if we have American commercial providers giving us the services that we now rely totally on the Russian system for.

This legislation still bars any transfer of funds to those companies which proliferate, even though there will be some Russian hardware involved in those commercial companies that will soon be going on the market to be offering their services to the International Space Station.

I would request a clarification. Is it the intent of the chair that any portion of this legislation to stop NASA or other Federal agencies from purchasing services from American firms even as they use some of the technologies within their own rockets from companies in Russia so long as those Russian companies are not proliferating?

Chairman ROS-LEHTINEN. Well, I thank the gentleman for the opportunity to clarify this point regarding purchasing those services from American sources.

Not only does no provision in this legislation have that purpose or effect, but you and I are in full agreement that the U.S. should make every effort to purchase those services from domestic sources as soon as possible. And to that end, to the maximum extent possible, any reliance on Russian sources of any type should be ended.

Mr. ROHRABACHER. Thank you very much. So we are minimizing the actual use of Russian technology, maximizing America's developed technology. Thank you for the clarification.

What I would like to propose today is that the chair, the ranking member, and I, working together with the Science Committee—which, as I say, I am a senior member of the Science Committee—and that we work together as this bill goes to the floor to further perfect this language so that NASA is encouraged to accelerate these commercial services, as compared to being totally reliant on the Russian Government. And, in that matter, we will encourage the growth of jobs in the United States and increase our overall nonproliferation leverage over Russia's Government.

Chairman ROS-LEHTINEN. I thank the gentleman. And I assure you that I will work with the member and with the ranking member and others, including consulting with our colleagues on the Science Committee, to achieve our nonproliferation and space goals more effectively. And I thank the gentleman for raising these important issues.

Mr. ROHRABACHER. Thank you.

Chairman ROS-LEHTINEN. Do other members seek recognition on the underlying bill?

Mr. Sherman is recognized.

Mr. SHERMAN. Thank you. I want to commend you for putting forward what is one of the toughest nonproliferation bills ever to come before this committee. I want to thank you for the opportunity to be the lead Democratic cosponsor.

I commend you for requiring reports every 4 months. Both the last administration and this administration have been somewhat tardy in producing the reports. And I think by shortening the time period and requiring three reports a year, we are underlying the fact that we expect to get these reports and expect to get them on time.

The U.S.-China Economic and Security Review Commission identified a loophole in current law that arguably exempts from sanctions the Chinese companies that are providing short-range antinaval cruise missiles to Iran and perhaps others included in this bill. And I think it is important, especially for the protection of our naval crews, that that be included in this sanctions regime.

Finally, as you know, Madam Chairman, for so many years I have been working to sanction those who would sell uranium mining equipment and technology to Iran. It is critical that we stop Iran's nuclear program. It is just as critical that even if they have enough uranium for one or two devices, that we prevent them from getting any more. That is why we need to work around the world to stop Iran from buying yellow cake or uranium in any form, but it is critically important that we prevent Iran from being able to mine uranium within its own territory. And this bill would go as far as any to accomplish that goal.

So, with that, I yield back.

Chairman ROS-LEHTINEN. Thank you so much, Mr. Sherman.

I would like to point out that it is a delight to have Ms. Wilson back with us and that you are feeling good, you are looking good. Welcome back, Frederica. We missed you.

Ms. WILSON OF FLORIDA. Thank you.

Chairman ROS-LEHTINEN. Do any other members seek recognition to speak on the underlying bill, the amendment in the nature of a substitute?

Do any other members have amendments?

Mr. Berman does. The clerk will read the amendment.

Ms. CARROLL. Amendment to the amendment in the nature of a substitute to H.R. 2105, offered by Mr. Berman of California and Ms. Ros-Lehtinen of California. Page 16, line 12, strike "and." Page 16——

Chairman ROS-LEHTINEN. Thank you. We will consider the amendment as having been read.

[The amendment to the amendment in the nature of a substitute follows:]

AMENDMENT TO THE AMENDMENT IN THE NATURE OF A SUBSTITUTE TO H.R. 2105 OFFERED BY MR. BERMAN OF CALIFORNIA AND MS. ROS-LEHTINEN OF FLORIDA

Page 16, line 12, strike "and".

Page 16, line 16, strike the period at the end and insert "; and".

Page 16, after line 16, insert the following:

1 (3) shall not be construed as applying to assist-
2 ance for the Bushehr nuclear reactor, unless such
3 assistance is determined by the President to be con-
4 tributing to the efforts of Iran to develop nuclear
5 weapons.

Page 17, beginning on line 22, strike "means" and all that follows through "country" on line 24 and insert "means any country".

☒

Chairman ROS-LEHTINEN. And Mr. Berman is recognized to explain his amendment while our wonderful colleagues give out copies. Thank you.

Mr. BERMAN. Thank you very much, Madam Chairman.

This amendment would simply eliminate the specific reference to Russia and would exempt the Bushehr reactor, so long as and only if it is not used for Iran's nuclear weapons program, from sanctions under this bill.

Just to be clear, the amendment would not exempt future civilian power reactors, nor would it prevent Russia from being sanctioned like any other country if they engage in sanctionable activity.

I urge my colleagues to support the amendment.

Chairman ROS-LEHTINEN. I also do support this. I would like to thank the ranking member for his amendment and for working with us right up until the gavel went down to draft that agreeable language.

I support this amendment and would like to ask unanimous consent that it be considered adopted.

Without objection, so ordered.

Do any other members seek recognition?

Seeing no further requests for recognition, the question is on agreeing to the bipartisan amendment in the nature of a substitute, as amended by Mr. Berman.

All those in favor say aye.

All opposed, no.

In the opinion of the chair, the ayes have it, and the amendment in the nature of a substitute, as amended, is agreed to.

Without objection, the underlying bill, H.R. 2105, as amended, is agreed to.

And I now move that the chair be authorized to seek consideration of the measure by the House under suspension of the rules.

Mr. BERMAN. Madam Chairman?

Chairman ROS-LEHTINEN. Yes? Mr. Berman is recognized.

Mr. BERMAN. Could I add a unanimous consent request for general leave for Members of the House to insert statements?

Chairman ROS-LEHTINEN. Without objection, so ordered.

All those in favor say aye.

All opposed, no.

The ayes have it, and the motion is agreed to.

Without objection, the bill, as amended, will be reported as a single amendment in the nature of a substitute incorporating the amendments adopted by our committee. And the staff is directed to make technical and conforming changes.

I want to thank all of the members and especially the staff, this hardworking, bipartisan staff, for the work and the cooperation that went into today's markup.

These are important bills. We are going to change history. We are going to hold the executive branch accountable and make them do the right thing.

Having concluded our business, the committee stands adjourned. Thank you, ladies and gentlemen.

[Whereupon, at 11:10 a.m., the committee was adjourned.]

APPENDIX

Material Submitted for the Record

FULL COMMITTEE MARKUP NOTICE
COMMITTEE ON FOREIGN AFFAIRS

U.S. HOUSE OF REPRESENTATIVES
WASHINGTON, D.C. 20515-0128

Ileana Ros-Lehtinen (R-FL), Chairman

October 26, 2011

You are respectfully requested to attend an OPEN meeting of the Committee on Foreign Affairs, to be held in **Room 2172 of the Rayburn House Office Building (and available live, via the WEBCAST link on the Committee website at http://www.hfca.house.gov)**:

DATE: Wednesday, November 2, 2011

TIME: 10:00 a.m.

MARKUP OF: H.R. 1905, To strengthen Iran sanctions laws for the purpose of compelling Iran to abandon its pursuit of nuclear weapons and other threatening activities, and for other purposes; and

H.R. 2105, To provide for the application of measures to foreign persons who transfer to Iran, North Korea, and Syria certain goods, services, or technology, and for other purposes.

By Direction of the Chairman

The Committee on Foreign Affairs seeks to make its facilities accessible to persons with disabilities. If you are in need of special accommodations, please call 202/225-5021 at least four business days in advance of the event, whenever practicable. Questions with regard to special accommodations in general (including availability of Committee materials in alternative formats and assistive listening devices) may be directed to the Committee.

COMMITTEE ON FOREIGN AFFAIRS

MINUTES OF FULL COMMITTEE MARKUP

Day *Wednesday* **Date** *11/02/11* **Room** *2172 RHOB*

Starting Time *10:05A.M.* **Ending Time** *11:10 A.M.*

Recesses [ ] (____to ____) (____to ____) (____to ____) (____to ____) (____to ____) (____to ____)

Presiding Member(s)

Rep. Ileana Ros-Lehtinen

Check all of the following that apply:

Open Session [✓]
Executive (closed) Session [ ]
Televised [✓]
Electronically Recorded (taped) [✓]
Stenographic Record [✓]

BILLS FOR MARKUP: *(Include bill number(s) and title(s) of legislation.)*

H.R. 1905, To strengthen Iran sanctions laws for the purpose of compelling Iran to abandon its pursuit of nuclear weapons and other threatening activities, and for other purposes; and
H.R. 2105, To provide for the application of measures to foreign persons who transfer to Iran, North Korea, and Syria certain goods, services, or technology, adn for other purposes.

COMMITTEE MEMBERS PRESENT:

Attendance sheet attached.

NON-COMMITTEE MEMBERS PRESENT:

STATEMENTS FOR THE RECORD: *(List any statements submitted for the record.)*

Rep. Laura Richardson (SFR), Rep. Cardoza (SFR), Rep. Connolly (SFR), and Rep. Paul (SFR).

ACTIONS TAKEN DURING THE MARKUP: *(Attach copies of legislation and amendments.)*

RECORDED VOTES TAKEN (FOR MARKUP): *(Attach final vote tally sheet listing each member.)*

Subject	Yeas	Nays	Present	Not Voting

TIME SCHEDULED TO RECONVENE _____
or
TIME ADJOURNED *11:10 A.M.*

Douglas C. Anderson

Doug Anderson, General Counsel

Hearing/Briefing Title: Mark-up H.R. 1905 & H.R. 2105

Date: 11/2/11

Present	Member
X	Ileana Ros-Lehtinen, FL
X	Christopher Smith, NJ
	Dan Burton, IN
X	Elton Gallegly, CA
X	Dana Rohrabacher, CA
	Donald Manzullo, IL
X	Edward R. Royce, CA
X	Steve Chabot, OH
	Ron Paul, TX
X	Mike Pence, IN
	Joe Wilson, SC
	Connie Mack, FL
X	Jeff Fortenberry, NE
	Michael McCaul, TX
X	Ted Poe, TX
X	Gus M. Bilirakis, FL
X	Jean Schmidt, OH
X	Bill Johnson, OH
	David Rivera, FL
	Mike Kelly, PA
	Tim Griffin, AK
	Tom Marino, PA
X	Jeff Duncan, SC
X	Ann Marie Buerkle, NY
X	Renee Ellmers, NC
X	Robert Turner, NY

Present	Member
X	Howard L. Berman, CA
X	Gary L. Ackerman, NY
	Eni F.H. Faleomavaega, AS
	Donald M. Payne, NJ
X	Brad Sherman, CA
	Eliot Engel, NY
	Gregory Meeks, NY
X	Russ Carnahan, MO
X	Albio Sires, NJ
X	Gerry Connolly, VA
X	Ted Deutch, FL
	Dennis Cardoza, CA
X	Ben Chandler, KY
X	Brian Higgins, NY
	Allyson Schwartz, PA
	Chris Murphy, CT
X	Frederica Wilson, FL
X	Karen Bass, CA
X	William Keating, MA
X	David Cicilline, RI

Statement on Mark-up of HR 1905, the Iran Threat Reduction Act of 2011
House Foreign Affairs Committee

Rep. Ron Paul, M.D.
November 2, 2011

Mme Chairman:

I would like to express my concerns over the Iran Threat Reduction Act of 2011 and my opposition to it being brought to the Floor for a vote. Let us be clear on one critical matter: the sanctions against Iran mandated by this legislation are definite steps toward a US attack on Iran. They will also, if actually applied, severely disrupt global trade and undermine the US economy, thereby harming our national security.

I am surprised and disturbed that the committee viewed this aggressive legislation to be so bipartisan and uncontroversial that a recorded vote was not even called.

Some may argue that we are pursuing sanctions so as to avoid war with Iran, but recent history teaches us otherwise. For how many years were sanctions placed on Iraq while we were told they were necessary to avoid war? Thousands of innocent Iraqis suffered and died under US sanctions and still the US invaded, further destroying the country. Are we safer after spending a trillion dollars or more to destroy Iraq and then rebuild it?

These new sanctions against Iran increasingly target other countries that seek to trade with Iran. The legislation will severely punish foreign companies or foreign subsidiaries of US companies if they do not submit to the US trade embargo on Iran. Some 15 years after the Iran Sanctions Act of 1996 failed to bring Iran to its knees, it is now to be US foreign policy to threaten foreign countries and companies.

During this mark-up one of my colleagues argued that if Mercedes-Benz wants to sell trucks to Iran, they should not be allowed to do business in the United States. Does anyone believe this is a good idea? I wonder how the Americans working at the Mercedes-Benz factory in Tuscaloosa County, Alabama would feel about banning Mercedes from the United States. Or perhaps we might ask the 7,600 Americans who work in the BMW factory in Spartanburg, SC how they would feel. Should the American consumer be denied the right to purchase these products? Is the United States really prepared to take such aggressive and radical action against its NATO ally Germany?

Likewise, the application of the sanctions in this legislation would have a dramatic impact on US commercial and diplomatic relations with Russia and China, who both do business with Iran. It would impose strong sanctions on these countries and would prohibit foreign business leaders – and their spouses and children – from entering the United States. Do we want to start a trade war – or worse – with Russia and China?

The Iran Threat Reduction Act authorizes what will no doubt be massive amounts of US taxpayer money to undermine the Iranian government and foment another "Green Revolution"

there. We will establish and prop up certain factions over others, send them enormous amounts of money, and attempt to fix any resulting elections so that our preferred candidates win. Considering the disturbing aftermath of our "democracy promotion" operations in places like Egypt, Iraq, Libya, where radical forces have apparently come out on top, it may be fair to conclude that such actions actually undermine US national security rather than bolster it.

Sanctions do not work. They are precursors to war and usually lead to war. They undermine our economy and our national security. They result in terrible, unnecessary suffering among the civilian population in the target countries and rarely even inconvenience their leaders. We must change our foreign policy from one of interventionism and confrontation to cooperation and diplomacy. This race to war against Iran is foolhardy and dangerous. As with the war on Iraq, the arguments for further aggression and war on Iran are based on manipulations and untruths. We need to learn our lesson and reject this legislation and the push for war.

The Honorable Gerald E. Connolly (VA-11)

HCFA Markup

H.R. 1905: To strengthen Iran sanctions laws for the purpose of compelling Iran to abandon its pursuit of nuclear weapons and other threatening activities, and for other purposes.

H.R. 2105: To provide for the application of measures to foreign persons who transfer to Iran, North Korea, and Syria certain goods, services, or technology, and for other purposes.

Wednesday, Nov. 2, 2011

10am

The Iran Threat Reduction Act (H.R. 1905) further strengthens the sanctions regime established by the United States under the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (CISADA). Multilateral actions through the UN Security Council, including the passage of Resolution 1929, have further squeezed the regime in Tehran. This bipartisan bill's goal is to "bring to bear the full weight of the U.S. by seeking to close the loopholes in existing energy and financial sanctions laws, while increasing the type and number of sanctions to be imposed."[1]

CONNOLLY AMENDMENT to H.R. 1905

I thank the Chairman for including the text of my amendment into her Amendment in the Nature of a Substitute (ANS). Section 207 of the bill requires the Secretary of State to submit an annual report on a *Comprehensive Strategy to Promote Internet Freedom and Access Information in Iran*. My amendment (on page 68, lines 17-21 of the ANS) ensures that that the strategy includes recommendations on "[expanding] access to proxy servers for democracy activists in Iran" and "[discouraging] telecommunication and software companies from facilitating Internet censorship by the government of Iran." The amendment aims to facilitate the organic nature of movements within Iran without co-opting them. I thank the Chairman for her leadership, and I look forward to supporting this bill.

H.R. 1905

H.R. 1905 has built-in safeguards to ensure that the President has the flexibility he needs to conduct U.S. foreign policy. Most importantly, the bill authorizes the President to waive imposition of sanctions if such action is in the national security interest of the United States. It also authorizes the President to terminate sanctions after one year if the sanctioned person is no longer engaging in a sanctionable activity and the President has received reliable assurances that the person will not knowingly engage in such future activity.

The bill acknowledges human rights issues in Iran through concrete policy provisions. For example, it authorizes the President to provide financial and political assistance to certain pro-democracy entities in Iran. Moreover, the bill imposes visa, property, and financial sanctions on persons identified as officials of the government of Iran, security services, or the Islamic Revolutionary Guard Corps (IRGC), who were complicit in the commission of serious human rights abuses against citizens of Iran or their family members on or after June 12, 2009 (the date of Iran's fraudulent elections), regardless of whether such abuses occurred in Iran.

Among other things, the bill also:

[1] Chairman Ileana Ros-Lehtinen, Press Release, "Ros-Lehtinen Introduces New Iran Sanctions Legislation to Close Loopholes, Mandate Enforcement," May 16, 2011.

The Honorable Gerald E. Connolly (VA-11)

- Urges the President to initiate diplomatic efforts to expand the multilateral sanctions regime regarding Iran.
- Directs the President to initiate an investigation into the imposition of sanctions upon receipt of credible information that a person is engaged in a sanctionable activity under the bill.
- Requires an Administration report listing all persons who are members of named Iranian government institutions, including high ranking Revolutionary Guard officers—and ban visas for the named individuals.
- Defines sanctions to include: (1) prohibitions on Export-Import Bank assistance, (2) prohibitions on loans from U.S. financial institutions and other financial services, (3) prohibitions on foreign exchange and other banking transactions, (4) prohibitions on property transactions, and (5) export and procurement sanctions.
- Terminates the provisions of the Act when Iran: (1) has dismantled its efforts to develop or acquire nuclear, chemical and biological weapons; (2) no longer provides support for acts of international terrorism; and (3) poses no threat to U.S. national security, interests, or allies.

H.R. 2105

The Iran, North Korea, and Syria Nonproliferation Reform and Modernization Act of 2011 (H.R. 2105) updates the existing U.S. law that sanctions Iran, North Korea, and Syria. The bill prohibits the senior officials (and their spouses and children) of sanctioned companies from entering the U.S. unless the President certifies that the government of jurisdiction has made and continues to make "clear, specific efforts" to stop and deter the prohibited transfer. The bill also adds a restriction on entering into a new 123 agreement with a country if that country is assisting the "nuclear program" of Iran, North Korea, or Syria. This same restriction applies to licensing nuclear-related exports to a country with which the U.S. already has a 123 agreement, and specifically names Russia as a country that is assisting the nuclear program of Iran, North Korea, or Syria.

The naming of Russia is a cause for concern, given Russia's recent cooperation on sanctioning Iran through the UN Security Council (e.g. UNSCR 1929), given the fact that no other country is specifically named in H.R. 2105. Russia's status as a permanent member of the UNSC means that the United States will require its support in future multilateral actions against Iran's nuclear program. But it is fortunate that the bill extends the waiver of "extraordinary payments" restrictions to Russia for transport of U.S. astronauts to the International Space Station from 2016 to 2020. The Russians are our only ride into space, and withholding payments for space transport could cause irreparable harm to our space industry.

Among other things, the bill also:

- Replaces the President's discretionary authority to impose sanctions with a requirement to do so.
- Penalizes transfers of mining equipment and technology to Iran, North Korea, and Syria that could assist in mining or milling of uranium.
- Prohibits any commercial cargo vessel or aircraft to land in the U.S. if such vessel "knowingly entered" a port or airfield in Iran, North Korea, or Syria in the past six months.

As we markup these two bills, I'm confident the Committee will continue to work toward the national security interest of the U.S. and its allies. The imposition of sanctions is one of many tools, and this Committee is rightfully ensuring that the President has the legislative authority to impose the strongest sanctions possible.

Cardoza Opening Statement

HFAC Committee Markup, November 3, 2011

- I would like to thank the chairman and ranking member for organizing this markup to consider two bills that will impose additional necessary sanctions and oversight to Iran, Syria and North Korea
- These countries routinely commit habitual and extreme human rights abuses
- Additionally, Iran and North Korea are widely recognized as attempting to acquire nuclear weapons
- President Obama has said that he is committed to the reduction and eventual elimination of nuclear weapons worldwide. Like the President, I strongly oppose the development of new nuclear weapons, which is why I find North Korea and Iran's continuing pursuit of viable nuclear weapons to be extremely disturbing.
- Simply put, rogue regimes who are habitual abusers of basic human rights cannot be allowed to control even the smallest nuclear arsenal
- As we are all aware, Syria and Iran are close allies, and the fall of the Syrian regime could seriously impact Iran's strategic goals in the region.

- Despite Iran's election to the U.N. Commission on the Status of Women, Iran continues to have a deplorable record on human rights.
- This record, according to a recent State Department human rights report, include 312 unjust executions, politically motivated abductions by security forces, torture, arbitrary arrest and detention, and arrest of women's rights activists.
- Iran took drastic steps to quell a democratic uprising within its own borders.
- It is increasingly likely that Iran is advising Syrian President Asad on ways to brutally suppress the populist and democratic uprising in Syria
- These rogue regimes seem willing to go to any length in order to maintain power and to sow seeds of discord throughout the world.
- The actions contained within these bills will apply additional economic and diplomatic pressure to these regimes and I fully support them.
- Thank you, and I yield back.

CONGRESSWOMAN LAURA RICHARDSON OF CALIFORNIA

COMMITTEE ON FOREIGN AFFAIRS
MARKUP OF
H.R. 1905,
THE IRANIAN THREAT REDUCTION ACT

NOVEMBER 2, 2011
2172 RAYBURN

CHAIRMAN ROS-LEHTINEN, RANKING MEMBER BERMAN AND MEMBERS OF THE COMMITTEE:

Thank you for convening this hearing and for allowing me to express my strong support of H.R. 1905, the Iranian Threat Reduction Act. This legislation is of critical importance to the nation, and I applaud the Committee's timely attention to this matter.

I believe it is imperative that the United States take the lead in opposing Iran's strong quest to produce nuclear weapons. Such a development would produce the greatest destabilizing element into that volatile region the world has ever known. The recent discovery of a plot to assassinate the Saudi Ambassador to the United States on American soil is but the latest reminder of the urgent need for the United States to take forceful and effective action to ensure that Iran does not succeed in developing the capability to produce nuclear weapons.

Last year, Congress passed H.R. 2194, the Iran Sanctions, Accountability and Divestment Act. This legislation marked the most comprehensive Iran sanctions legislation ever passed by Congress. While current sanctions on Iran have impeded Iran's ability to successfully develop a nuclear weapon, most experts agree that Iran will have nuclear capabilities in the next two to three years if tougher sanctions are not imposed. According to a recent report released by the International Atomic Energy Agency, Iran has a stockpile of low-enriched uranium that if further enriched could produce three nuclear weapons.

TODAY, THE LEGISLATION AT HAND, WHEN

~~H~~.R. 1905 strongly reflects the demands of the international community that tougher sanctions must be placed on Iranian leaders. ~~to end their nuclear program~~. ~~If~~ enacted, H.R. 1905 would increase sanctions on human rights violators in Iran, impose tougher sanctions on the Islamic Revolutionary Guard Corps (IRGC), and would finally codify the U.S. policy to prevent Iran from developing unconventional weapons and ballistic missiles. This bill takes NECESSARY steps to peacefully thwart Iran's nuclear aspirations.

While the Arab Spring has deflected a lot of attention away from Iran's nuclear enrichment program, H.R. 1905 will help to refocus our efforts on appropriately addressing this critical issue. Leaders in the Iranian government have shown repeatedly that they are unwilling to comply with international demands to scrap their nuclear program.

For these reasons, I strongly support this bill and look forward to voting for it when it comes to the floor for final passage.

Thank you and I yield back the remainder of my time.

PERSONALLY ATTENDED THE FOREIGN AFFAIRS HEARING TO