

# Union Calendar No. 217

111<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 2194

**[Report No. 111-342, Part I]**

To amend the Iran Sanctions Act of 1996 to enhance United States diplomatic efforts with respect to Iran by expanding economic sanctions against Iran.

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## IN THE HOUSE OF REPRESENTATIVES

APRIL 30, 2009

Mr. BERMAN (for himself, Ms. ROS-LEHTINEN, Mr. ACKERMAN, Mr. BURTON of Indiana, Mr. SHERMAN, Mr. ROYCE, Mr. ANDREWS, and Mr. KIRK) 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, 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

NOVEMBER 19, 2009

Reported from the Committee on Foreign Affairs with an amendment

[Strike out all after the enacting clause and insert the part printed in *italic*]

NOVEMBER 19, 2009

Referral to the Committees on Financial Services, Oversight and Government Reform, and Ways and Means extended for a period ending not later than December 4, 2009

DECEMBER 4, 2009

Committees on Financial Services and Oversight and Government Reform discharged; referral to the Committee on Ways and Means extended for a period ending not later than December 11, 2009

DECEMBER 11, 2009

Additional sponsors: Mr. KLEIN of Florida, Ms. HARMAN, Mr. WEXLER, Mr. ENGEL, Ms. WASSERMAN SCHULTZ, Mr. HASTINGS of Florida, Mr. MCMAHON, Mr. BILIRAKIS, Mr. MCHUGH, Mr. MEEK of Florida, Mr. MCCOTTER, Mr. GARY G. MILLER of California, Mr. HODES, Mr. SMITH of New Jersey, Mr. PLATTS, Mrs. LOWEY, Mr. ROONEY, Mr. GENE GREEN of Texas, Mr. LATOURETTE, Mr. MARCHANT, Mr. GERLACH, Mr. BISHOP of Utah, Mr. SOUDER, Mr. PAULSEN, Mr. SULLIVAN, Mr. GORDON of Tennessee, Mr. TIBERI, Mr. CULBERSON, Mr. KING of New York, Mr. QUIGLEY, Mr. BACA, Mrs. MYRICK, Mr. POE of Texas, Mr. FILNER, Mr. MORAN of Kansas, Mr. BUCHANAN, Ms. FOX, Mrs. MILLER of Michigan, Mr. LAMBORN, Mrs. SCHMIDT, Mr. LOBIONDO, Ms. FALLIN, Mr. SENSENBRENNER, Mr. BACHUS, Mr. DENT, Mr. COOPER, Mr. WAXMAN, Mr. PALLONE, Mr. GARRETT of New Jersey, Mr. SCHIFF, Mr. SCALISE, Mr. GRAYSON, Mr. HOLDEN, Ms. SCHWARTZ, Mr. INGLIS, Mr. MITCHELL, Mr. BLUNT, Mr. GALLEGLY, Mrs. NAPOLITANO, Mr. BARROW, Mr. JACKSON of Illinois, Mr. REICHERT, Mr. MACK, Mr. KAGEN, Mr. NADLER of New York, Mr. ALEXANDER, Mr. HIGGINS, Mr. COLE, Ms. BEAN, Mr. SIRES, Mr. ADLER of New Jersey, Mr. UPTON, Mr. LANCE, Mr. LATTA, Ms. GIFFORDS, Mr. RUSH, Mr. CONNOLLY of Virginia, Mr. ADERHOLT, Mr. DEFAZIO, Mr. HARE, Mr. SMITH of Nebraska, Mr. LUETKEMEYER, Mr. RYAN of Wisconsin, Mr. SHULER, Mrs. BONO MACK, Mr. CROWLEY, Mr. ROSS, Ms. BERKLEY, Mr. BOREN, Mr. ROTHMAN of New Jersey, Ms. GINNY BROWN-WAITE of Florida, Mr. MAFFEI, Mr. DANIEL E. LUNGREN of California, Mr. ROE of Tennessee, Mr. MELANCON, Mr. MCHENRY, Mr. HEINRICH, Mr. OLSON, Mr. BOOZMAN, Mr. CANTOR, Mrs. KIRKPATRICK of Arizona, Mr. COHEN, Mr. VAN HOLLEN, Mr. SPACE, Mr. GUTHRIE, Mr. LUCAS, Mr. LIPINSKI, Mr. MICHAUD, Mr. PATRICK J. MURPHY of Pennsylvania, Mr. ROGERS of Alabama, Mr. FLEMING, Mr. NEUGEBAUER, Mr. LEVIN, Mr. BOSWELL, Mr. SAM JOHNSON of Texas, Mr. HILL, Mr. TIAHRT, Mrs. MCMORRIS RODGERS, Mr. CARDOZA, Mr. COSTA, Ms. ESHOO, Mr. CARNEY, Mr. PERLMUTTER, Mr. WILSON of South Carolina, Mr. REHBERG, Mr. LARSON of Connecticut, Mr. GRIFFITH, Mr. BISHOP of New York, Mr. DAVIS of Tennessee, Ms. GRANGER, Mr. CARTER, Mr. ROSKAM, Mr. PRICE of Georgia, Mr. WILSON of Ohio, Mr. DAVIS of Alabama, Mr. VIS-CLOSKY, Mr. BOYD, Mr. CLEAVER, Mr. FRELINGHUYSEN, Mr. HIMES, Mr. TIM MURPHY of Pennsylvania, Mr. MCNERNEY, Mr. LATHAM, Mr. LINCOLN DIAZ-BALART of Florida, Mr. ROGERS of Michigan, Mr. RODRIGUEZ, Mr. ARCURI, Mr. KRATOVIL, Mr. SHUSTER, Mr. CHAFFETZ, Mr. AUSTRIA, Mr. THOMPSON of Pennsylvania, Mrs. MCCARTHY of New York, Mr. FORBES, Mr. BRADY of Pennsylvania, Mr. COFFMAN of Colorado, Mr. YOUNG of Alaska, Mr. MOORE of Kansas, Mr. BOCCIERI, Mr. DEAL of Georgia, Mr. BROWN of South Carolina, Mr. PUTNAM, Mr. FOSTER, Ms. TITUS, Mr. SHADEGG, Mr. SMITH of Washington, Mr. WALDEN, Mr. GRAVES, Mr. PETERS, Mr. PITTS, Mr. BROUN of Georgia, Mr. CASSIDY, Mr. FRANKS of Arizona, Mr. SCHAUER, Mr. BONNER, Mr. DRIEHAUS, Mr. SESSIONS, Mr. STEARNS, Mrs. BIGGERT, Ms. MATSUI, Mr. MARKEY of Massachusetts, Mr. MCKEON, Mr. WITTMAN, Mr. PENCE, Mr. KILDEE, Mr. MASSA, Mr. MILLER of Florida, Mr. JOHNSON

of Illinois, Mr. YARMUTH, Mr. WU, Mr. MCCLINTOCK, Mr. KING of Iowa, Ms. SCHAKOWSKY, Mr. MCCAUL, Mr. CAMPBELL, Mr. DONNELLY of Indiana, Mr. FATTAH, Ms. FUDGE, Mr. HOYER, Mr. JOHNSON of Georgia, Mr. WELCH, Mr. MCCARTHY of California, Mr. CONAWAY, Mr. HENSARLING, Ms. LORETTA SANCHEZ of California, Mr. ISRAEL, Mr. SALAZAR, Mr. MARIO DIAZ-BALART of Florida, Mr. WOLF, Mr. SIMPSON, Mr. HERGER, Mr. WESTMORELAND, Mr. BILBRAY, Mrs. MALONEY, Mrs. HALVORSON, Mr. HASTINGS of Washington, Mr. COBLE, Mr. CARNAHAN, Mr. POLIS of Colorado, Mr. NUNES, Mr. MANZULLO, Mr. COURTNEY, Mr. POSEY, Mrs. EMERSON, Ms. JENKINS, Mr. BRADY of Texas, Mr. SHIMKUS, Mr. LINDER, Mr. BARRETT of South Carolina, Ms. MARKEY of Colorado, Ms. KOSMAS, Mr. MILLER of North Carolina, Mr. GOHMERT, Mr. BISHOP of Georgia, Mr. STUPAK, Mr. CAO, Mr. LANGEVIN, Mr. FARR, Mr. ALTMIRE, Mr. CALVERT, Mrs. BLACKBURN, Mr. TERRY, Mr. MINNICK, Mr. BARTLETT, Mr. KLINE of Minnesota, Ms. CORRINE BROWN of Florida, Ms. SUTTON, Mr. HOEKSTRA, Ms. LINDA T. SÁNCHEZ of California, Mr. SARBANES, Mr. SCHOCK, Mr. FORTENBERRY, Mr. HUNTER, Mr. WAMP, Mr. HONDA, Mr. ISSA, Mr. SMITH of Texas, Mr. JORDAN of Ohio, Mrs. CAPITO, Mr. KENNEDY, Mr. SCOTT of Georgia, Mr. ROGERS of Kentucky, Mr. MARSHALL, Mr. AL GREEN of Texas, Mr. BUYER, Mr. KINGSTON, Mr. YOUNG of Florida, Mr. WEINER, Mr. GINGREY of Georgia, Mrs. BACHMANN, Mr. LEE of New York, Ms. SLAUGHTER, Mr. MICA, Mr. TURNER, Mr. RYAN of Ohio, Mr. SKELTON, Mr. HALL of New York, Mr. LARSEN of Washington, Mr. PASCRELL, Ms. DELAURO, Ms. DEGETTE, Mr. ROHRBACHER, Mr. CUMMINGS, Mr. CRENSHAW, Mr. BRIGHT, Ms. KILROY, Mr. CHANDLER, Mr. WALZ, Mr. CHILDERS, Mr. GOODLATTE, Mr. GONZALEZ, Mr. CAPUANO, Mr. ELLSWORTH, Ms. CHU, Mr. COSTELLO, Mr. MURPHY of Connecticut, Mr. DOYLE, Mr. CLAY, Mr. THOMPSON of California, Mr. TONKO, Mr. DAVIS of Illinois, Mr. MATHESON, Mr. MURPHY of New York, Mr. ETHERIDGE, Mr. HELLER, Mr. SCHRADER, Ms. CASTOR of Florida, Mr. CASTLE, Mr. PAYNE, Mr. KISSELL, Ms. ROYBAL-ALLARD, Mr. GUTIERREZ, Mr. HARPER, Mrs. DAVIS of California, Mr. NYE, Ms. TSONGAS, Mr. TEAGUE, Mr. GRIJALVA, Mr. TOWNS, Mr. BOUSTANY, Mr. LEWIS of Georgia, Mr. RUPPERSBERGER, Mr. BARTON of Texas, Mr. EDWARDS of Texas, Mr. TANNER, Ms. JACKSON-LEE of Texas, Mr. FRANK of Massachusetts, Mr. BOEHNER, Mr. RADANOVICH, Mr. LEWIS of California, Ms. HERSETH SANDLIN, Ms. CLARKE, Ms. SPEIER, Ms. RICHARDSON, Mr. SPRATT, and Mr. HOLT

DECEMBER 11, 2009

Committee on Ways and Means discharged; committed to the Committee of the Whole House on the State of the Union and ordered to be printed

[For text of introduced bill, see copy of bill as introduced on April 30, 2009]

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## **A BILL**

To amend the Iran Sanctions Act of 1996 to enhance United States diplomatic efforts with respect to Iran by expanding economic sanctions against Iran.

1 **SECTION 1. SHORT TITLE.**

2 *This Act may be cited as the “Iran Refined Petroleum*  
3 *Sanctions Act of 2009”.*

4 **SEC. 2. FINDINGS; SENSE OF CONGRESS; STATEMENT OF**  
5 **POLICY.**

6 *(a) FINDINGS.—Congress finds the following:*

7 *(1) The illicit nuclear activities of the Govern-*  
8 *ment of Iran—combined with its development of un-*  
9 *conventional weapons and ballistic missiles, and sup-*  
10 *port for international terrorism—represent a serious*  
11 *threat to the security of the United States and U.S.*  
12 *allies in Europe, the Middle East, and around the*  
13 *world.*

14 *(2) The United States and other responsible na-*  
15 *tions have a vital interest in working together to pre-*  
16 *vent the Government of Iran from acquiring a nu-*  
17 *clear weapons capability.*

18 *(3) The International Atomic Energy Agency has*  
19 *repeatedly called attention to Iran’s unlawful nuclear*  
20 *activities, and, as a result, the United Nations Secu-*  
21 *rity Council has adopted a range of sanctions de-*  
22 *signed to encourage the Government of Iran to sus-*  
23 *pend those activities and comply with its obligations*  
24 *under the Treaty on the Non-Proliferation of Nuclear*  
25 *Weapons (commonly known as the “Nuclear Non-Pro-*  
26 *liferation Treaty”).*

1           (4) *As a presidential candidate, then-Senator*  
2 *Obama stated that additional sanctions, especially*  
3 *those targeting Iran’s dependence on imported refined*  
4 *petroleum, may help to persuade the Government of*  
5 *Iran to abandon its illicit nuclear activities.*

6           (5) *On October 7, 2008, then-Senator Obama*  
7 *stated, “Iran right now imports gasoline, even though*  
8 *it’s an oil producer, because its oil infrastructure has*  
9 *broken down. If we can prevent them from importing*  
10 *the gasoline that they need and the refined petroleum*  
11 *products, that starts changing their cost-benefit anal-*  
12 *ysis. That starts putting the squeeze on them.”.*

13           (6) *On June 4, 2008, then-Senator Obama stat-*  
14 *ed, “We should work with Europe, Japan, and the*  
15 *Gulf states to find every avenue outside the U.N. to*  
16 *isolate the Iranian regime—from cutting off loan*  
17 *guarantees and expanding financial sanctions, to*  
18 *banning the export of refined petroleum to Iran.”.*

19           (7) *Major European allies, including the United*  
20 *Kingdom, France, and Germany, have advocated that*  
21 *sanctions be significantly toughened should inter-*  
22 *national diplomatic efforts fail to achieve verifiable*  
23 *suspension of Iran’s uranium enrichment program*  
24 *and an end to its nuclear weapons program and other*  
25 *illicit nuclear activities.*

1           (8) *The serious and urgent nature of the threat*  
2 *from Iran demands that the United States work to-*  
3 *gether with U.S. allies to do everything possible—dip-*  
4 *lomatically, politically, and economically—to prevent*  
5 *Iran from acquiring a nuclear weapons capability.*

6           (9) *The human rights situation in Iran has*  
7 *steadily deteriorated in 2009, as punctuated by the*  
8 *transparent fraud that occurred on June 12, the bru-*  
9 *tal repression and murder, arbitrary arrests, and*  
10 *show trials of peaceful dissidents, and ongoing sup-*  
11 *pression of freedom of expression.*

12           (b) *SENSE OF CONGRESS.—It is the sense of the Con-*  
13 *gress that—*

14           (1) *international diplomatic efforts to address*  
15 *Iran’s illicit nuclear efforts, unconventional and bal-*  
16 *listic missile development programs, and support for*  
17 *international terrorism are more likely to be effective*  
18 *if the President is empowered with the explicit au-*  
19 *thority to impose additional sanctions on the Govern-*  
20 *ment of Iran;*

21           (2) *the concerns of the United States regarding*  
22 *Iran are strictly the result of the actions of the Gov-*  
23 *ernment of Iran;*

24           (3) *the revelation in September 2009 that Iran*  
25 *is developing a secret uranium enrichment site on an*

1 *Islamic Revolutionary Guard Corps base near Qom,*  
2 *which appears to have no civilian application, high-*  
3 *lights the urgency for Iran to fully disclose the full*  
4 *nature of its nuclear program, including any other*  
5 *secret locations, and provide the International Atomic*  
6 *Energy Agency (IAEA) unfettered access to its facili-*  
7 *ties pursuant to Iran's legal obligations under the*  
8 *Treaty on the Non-Proliferation of Nuclear Weapons*  
9 *and Iran's Safeguards Agreement with the IAEA;*

10 *(4) because of its involvement in Iran's nuclear*  
11 *program and other destabilizing activities, the Presi-*  
12 *dent should impose sanctions, including the full range*  
13 *of sanctions otherwise applicable to Iran, on any in-*  
14 *dividual or entity that is an agent, alias, front, in-*  
15 *strumentality, representative, official, or affiliate of*  
16 *the Islamic Revolutionary Guard Corps or is an indi-*  
17 *vidual serving as a representative of the Islamic Rev-*  
18 *olutionary Guard Corps, or on any person that has*  
19 *conducted any commercial transaction or financial*  
20 *transaction with such entities;*

21 *(5) Government to Government agreements with*  
22 *Iran to provide the regime with refined petroleum*  
23 *products, such as the September 2009 agreement*  
24 *under which the Government of Venezuela committed*  
25 *to provide 20,000 barrels of gasoline per day to Iran,*

1 *undermine efforts to pressure Iran to suspend its nu-*  
2 *clear weapons program and cease all enrichment ac-*  
3 *tivities; and*

4 *(6) the people of the United States—*

5 *(A) have feelings of friendship for the people*  
6 *of Iran; and*

7 *(B) hold the people of Iran, their culture,*  
8 *and their ancient and rich history in the highest*  
9 *esteem.*

10 *(c) STATEMENT OF POLICY.—It shall be the policy of*  
11 *the United States—*

12 *(1) to prevent Iran from achieving the capability*  
13 *to make nuclear weapons, including by supporting*  
14 *international diplomatic efforts to halt Iran’s ura-*  
15 *nium enrichment program;*

16 *(2) to fully implement and enforce the Iran*  
17 *Sanctions Act of 1996 as a means of encouraging for-*  
18 *eign governments to—*

19 *(A) direct state-owned entities to cease all*  
20 *investment in, and support of, Iran’s energy sec-*  
21 *tor and all exports of refined petroleum products*  
22 *to Iran; and*

23 *(B) require private entities based in their*  
24 *territories to cease all investment in, and sup-*

1           *port of, Iran’s energy sector and all exports of*  
2           *refined petroleum products to Iran;*

3           *(3) to impose sanctions on—*

4                     *(A) the Central Bank of Iran, and any*  
5                     *other financial institution in Iran that is en-*  
6                     *gaged in proliferation activities or support of*  
7                     *terrorist groups, and*

8                     *(B) any other financial institution that*  
9                     *conducts financial transactions with the Central*  
10                    *Bank of Iran or with another financial institu-*  
11                    *tion described in subparagraph (A),*

12           *including through the use of Executive Orders 13224,*  
13           *13382, and 13438 and United Nations Security*  
14           *Council Resolutions 1737, 1747, 1803, and 1835;*

15           *(4) to persuade the allies of the United States*  
16           *and other countries to take appropriate measures to*  
17           *deny access to the international financial system by*  
18           *Iranian banks and financial institutions involved in*  
19           *proliferation activities or support of terrorist groups;*

20           *(5) to support all Iranian citizens who embrace*  
21           *the values of freedom, human rights, civil liberties,*  
22           *and the rule of law; and*

23           *(6) for the Secretary of State to make every effort*  
24           *to assist United States citizens held hostage in Iran*  
25           *at any time during the period beginning on November*

1       4, 1979 and ending on January 20, 1981, and their  
2       survivors in matters of compensation related to such  
3       citizens' detention.

4   **SEC. 3. AMENDMENTS TO THE IRAN SANCTIONS ACT OF**  
5                           **1996.**

6       (a) *EXPANSION OF SANCTIONS.*—Section 5(a) of the  
7   Iran Sanctions Act of 1996 (50 U.S.C. 1701 note) is amend-  
8   ed to read as follows:

9       “(a) *SANCTIONS WITH RESPECT TO THE DEVELOP-*  
10   *MENT OF PETROLEUM RESOURCES OF IRAN AND EXPOR-*  
11   *TATION OF REFINED PETROLEUM TO IRAN.*—

12               “(1) *DEVELOPMENT OF PETROLEUM RESOURCES*  
13   *OF IRAN.*—

14                       “(A) *INVESTMENT.*—Except as provided in  
15   subsection (f), the President shall impose 2 or  
16   more of the sanctions described in paragraphs  
17   (1) through (6) of section 6(a) if the President  
18   determines that a person has knowingly, on or  
19   after the date of the enactment of this Act, made  
20   an investment of \$20,000,000 or more (or any  
21   combination of investments of at least \$5,000,000  
22   each, which in the aggregate equals or exceeds  
23   \$20,000,000 in any 12-month period), that di-  
24   rectly and significantly contributed to the en-

1           *hancement of Iran’s ability to develop petroleum*  
2           *resources of Iran.*

3           “(B) *PRODUCTION OF REFINED PETROLEUM*  
4           *PRODUCTS.—Except as provided in subsection*  
5           *(f), the President shall impose the sanctions de-*  
6           *scribed in section 6(b) if the President deter-*  
7           *mines that a person knowingly sells, leases, or*  
8           *provides to Iran any goods, services, technology,*  
9           *information, or support, or enters into a con-*  
10          *tract to sell, lease, or provide to Iran any goods,*  
11          *services, technology, information, or support,*  
12          *that would allow Iran to maintain or expand its*  
13          *domestic production of refined petroleum prod-*  
14          *ucts, including any assistance in the construc-*  
15          *tion, modernization, or repair of refineries that*  
16          *make refined petroleum products, if—*

17                 “(i) *the value of the goods, services,*  
18                 *technology, information, or support pro-*  
19                 *vided in such sale, lease, or provision, or to*  
20                 *be provided in such contract, exceeds*  
21                 *\$200,000; or*

22                 “(ii) *the value of the goods, services,*  
23                 *technology, information, or support pro-*  
24                 *vided in any combination of such sales,*  
25                 *leases, or provision in any 12-month period,*

1           *or to be provided under contracts entered*  
2           *into in any 12-month period, exceeds*  
3           *\$500,000.*

4           “(2) *EXPORTATION OF REFINED PETROLEUM*  
5           *PRODUCTS TO IRAN.—*

6           “(A) *IN GENERAL.—Except as provided in*  
7           *subsection (f), the President shall impose the*  
8           *sanctions described in section 6(b) if the Presi-*  
9           *dent determines that a person knowingly pro-*  
10          *vides Iran with refined petroleum products or*  
11          *engages in any of the activities described in sub-*  
12          *paragraph (B), if—*

13                  “(i) *the value of such products or of the*  
14                  *goods, services, technology, information, or*  
15                  *support provided or to be provided in con-*  
16                  *nection with such activity exceeds \$200,000;*  
17                  *or*

18                  “(ii) *the value of such products, or of*  
19                  *the goods, services, technology, information,*  
20                  *or support, provided or to be provided in*  
21                  *connection with any combination of pro-*  
22                  *viding such products or such activities, in*  
23                  *any 12-month period exceeds \$500,000.*

1           “(B) *ACTIVITIES DESCRIBED.*—*The activi-*  
2           *ties referred to in subparagraph (A) are the fol-*  
3           *lowing:*

4                   “(i) *Providing ships, vehicles, or other*  
5                   *means of transportation to deliver refined*  
6                   *petroleum products to Iran, or providing*  
7                   *services relating to the shipping or other*  
8                   *transportation of refined petroleum prod-*  
9                   *ucts to Iran.*

10                   “(ii) *Underwriting or otherwise pro-*  
11                   *viding insurance or reinsurance for an ac-*  
12                   *tivity described in clause (i).*

13                   “(iii) *Financing or brokering an activ-*  
14                   *ity described in clause (i).”.*

15           (b) *DESCRIPTION OF SANCTIONS.*—*Section 6 of such*  
16 *Act is amended—*

17                   (1) *by striking “The sanctions to be imposed on*  
18                   *a sanctioned person under section 5 are as follows:”*  
19                   *and inserting the following:*

20                   “(a) *IN GENERAL.*—*The sanctions to be imposed on*  
21 *a sanctioned person under subsections (a)(1)(A) and (b)(1)*  
22 *of section 5 are as follows:”;*

23                   (2) *in paragraph (4), by striking “section 5”*  
24                   *each place it appears and inserting “subsections*  
25                   *(a)(1)(A) and (b) of section 5”;* *and*

1           (3) *by adding at the end the following:*

2           “(b) *ADDITIONAL MANDATORY SANCTIONS.—The sanc-*  
3 *tions to be imposed on a sanctioned person under para-*  
4 *graphs (1)(B) and (2) of section 5(a) are as follows:*

5           “(1) *FOREIGN EXCHANGE.—The President shall*  
6 *prohibit any transactions in foreign exchange by the*  
7 *sanctioned person.*

8           “(2) *BANKING TRANSACTIONS.—The President*  
9 *shall prohibit any transfers of credit or payments be-*  
10 *tween, by, through, or to any financial institution, to*  
11 *the extent that such transfers or payments involve*  
12 *any interest of the sanctioned person.*

13           “(3) *PROPERTY TRANSACTIONS.—The President*  
14 *shall prohibit any acquisition, holding, withholding,*  
15 *use, transfer, withdrawal, transportation, importa-*  
16 *tion, or exportation of, dealing in, or exercising any*  
17 *right, power, or privilege with respect to, or trans-*  
18 *actions involving, any property in which the sanc-*  
19 *tioned person has any interest by any person, or with*  
20 *respect to any property, subject to the jurisdiction of*  
21 *the United States.*

22           “(c) *ADDITIONAL MEASURE RELATING TO REFINED*  
23 *PETROLEUM PRODUCTS.—*

24           “(1) *IN GENERAL.—The head of each executive*  
25 *agency shall ensure that each contract with a person*

1 entered into by such executive agency for the procure-  
2 ment of goods or services, or agreement for the use of  
3 Federal funds as part of a grant, loan, or loan guar-  
4 antee to a person, includes a clause that requires the  
5 person to certify to the contracting officer or other ap-  
6 propriate official of such agency that the person does  
7 not conduct any activity described in paragraph  
8 (1)(B) or (2) of section 5(a).

9 “(2) REMEDIES.—

10 “(A) IN GENERAL.—If the head of the execu-  
11 tive agency determines that such person has sub-  
12 mitted a false certification under paragraph (1)  
13 after the date on which the Federal Acquisition  
14 Regulation is revised to implement the require-  
15 ments of this subsection, the head of an executive  
16 agency may terminate a contract, or agreement  
17 described in paragraph (1), with such person or  
18 debar or suspend such person from eligibility for  
19 Federal contracts or such agreements for a pe-  
20 riod not to exceed 15 years.

21 “(B) INCLUSION ON LIST OF PARTIES EX-  
22 CLUDED FROM FEDERAL PROCUREMENT AND  
23 NONPROCUREMENT PROGRAMS.—The Adminis-  
24 trator of General Services shall include on the  
25 List of Parties Excluded from Federal Procure-

1           *ment and Nonprocurement Programs main-*  
2           *tained by the Administrator under part 9 of the*  
3           *Federal Acquisition Regulation issued under sec-*  
4           *tion 25 of the Office of Federal Procurement Pol-*  
5           *icy Act (41 U.S.C. 421) each person that is*  
6           *debarred, suspended, proposed for debarment or*  
7           *suspension, or declared ineligible by the head of*  
8           *an executive agency on the basis of a determina-*  
9           *tion of a false certification under subparagraph*  
10          *(A).*

11           “(C) *RULE OF CONSTRUCTION.*—*This sub-*  
12          *section shall not be construed to limit the use of*  
13          *other remedies available to the head of an execu-*  
14          *tive agency or any other official of the Federal*  
15          *Government on the basis of a determination of a*  
16          *false certification under paragraph (1).*

17           “(3) *IMPLEMENTATION THROUGH THE FEDERAL*  
18          *ACQUISITION REGULATION.*—*Not later than 120 days*  
19          *after the date of the enactment of the Iran Refined Pe-*  
20          *troleum Sanctions Act of 2009, the Federal Acquisi-*  
21          *tion Regulation issued pursuant to section 25 of the*  
22          *Office of Federal Procurement Policy Act (41 U.S.C.*  
23          *421) shall be revised to provide for the implementa-*  
24          *tion of the requirements of this subsection.”.*

1           (c) *ADDITIONAL MANDATORY SANCTIONS RELATING TO*  
2 *TRANSFER OF NUCLEAR TECHNOLOGY.*—*Section 5(b) of the*  
3 *Iran Sanctions Act of 1996 is amended—*

4           (1) *by redesignating paragraphs (1) and (2) as*  
5 *subparagraphs (A) and (B), respectively, and moving*  
6 *such paragraphs 2 ems to the right;*

7           (2) *by striking “The President shall impose” and*  
8 *inserting the following:*

9           “(1) *IN GENERAL.*—*The President shall impose*”;

10           (3) *by striking “section 6” and inserting “sec-*  
11 *tion 6(a)”;* and

12           (4) *by adding at the end the following:*

13           “(2) *ADDITIONAL SANCTION.*—

14           “(A) *RESTRICTION.*—*In any case in which*  
15 *a person is subject to sanctions under paragraph*  
16 *(1) because of an activity described in such*  
17 *paragraph that relates to the acquisition or de-*  
18 *velopment of nuclear weapons or related tech-*  
19 *nology or of missiles or other advanced conven-*  
20 *tional weapons that are capable of delivering a*  
21 *nuclear weapon, then notwithstanding any other*  
22 *provision of law, the following measures shall*  
23 *apply with respect to the country that has juris-*  
24 *isdiction over such person, unless the President de-*  
25 *termines and notifies the appropriate congres-*

1           *sional committees that the government of such*  
2           *country has taken, or is taking, effective actions*  
3           *to penalize such person and to prevent a reoccu-*  
4           *rence of such activity in the future:*

5                     “(i) *No agreement for cooperation be-*  
6                     *tween the United States and the government*  
7                     *of such country may be submitted to the*  
8                     *President or to Congress pursuant to section*  
9                     *123 of the Atomic Energy Act of 1954 (42*  
10                    *U.S.C. 2153), or may enter into force.*

11                    “(ii) *No license may be issued for the*  
12                    *export, and no approval may be given for*  
13                    *the transfer or retransfer, directly or indi-*  
14                    *rectly, to such country of any nuclear mate-*  
15                    *rial, facilities, components, or other goods,*  
16                    *services, or technology that would be subject*  
17                    *to an agreement to cooperation.*

18                    “(B) *CONSTRUCTION.—The restrictions in*  
19                    *subparagraph (A) shall apply in addition to all*  
20                    *other applicable procedures, requirements, and*  
21                    *restrictions contained in the Atomic Energy Act*  
22                    *of 1954 and other laws.*

23                    “(C) *DEFINITION.—In this paragraph, the*  
24                    *term ‘agreement for cooperation’ has the mean-*

1            *ing given that term in section 11 b. of the Atom-*  
2            *ic Energy Act of 1954 (42 U.S.C. 2014(b)).”.*

3            *(d) STRENGTHENING OF WAIVER AUTHORITY AND*  
4            *SANCTIONS IMPLEMENTATION.—*

5            *(1) INVESTIGATIONS.—Section 4(f) of the Iran*  
6            *Sanctions Act of 1996 (50 U.S.C. 1701 note) is*  
7            *amended—*

8            *(A) in paragraph (1)—*

9                    *(i) by striking “should initiate” and*  
10                   *inserting “shall immediately initiate”;*

11                   *(ii) by inserting “or 5(b)” after “sec-*  
12                   *tion 5(a)”;* and

13                   *(iii) by striking “as described in such*  
14                   *section” and inserting “as described in sec-*  
15                   *tion 5(a)(1) or other activity described in*  
16                   *section 5(a)(2) or 5(b) (as the case may*  
17                   *be)”;* and

18                   *(B) in paragraph (2), by striking “should*  
19                   *determine, pursuant to section 5(a), if a person*  
20                   *has engaged in investment activity in Iran as*  
21                   *described in such section” and inserting “shall*  
22                   *determine, pursuant to section 5(a) or (b) (as the*  
23                   *case may be), if a person has engaged in invest-*  
24                   *ment activity in Iran as described in section*

1           5(a)(1) or other activity described in section  
2           5(a)(2) or 5(b) (as the case may be)”.  
3

3           (2) *GENERAL WAIVER AUTHORITY*.—Section 9(c)  
4           of the Iran Sanctions Act of 1996 (50 U.S.C. 1701  
5           note) is amended—

6                   (A) in paragraph (1)—

7                           (i) by inserting after “on a person de-  
8                           scribed in section 5(c),” the following: “or  
9                           on a country described in section 5(b)(2)(A)  
10                          (if the President certifies to the appropriate  
11                          congressional committees that the President  
12                          is unable to make the determination de-  
13                          scribed in such section 5(b)(2)(A) with re-  
14                          spect to the government of that country),”;  
15                          and

16                           (ii) by striking “important to the na-  
17                           tional interest of the United States” and in-  
18                           serting “vital to the national security inter-  
19                           est of the United States”; and

20                   (B) in paragraph (2)—

21                           (i) in subparagraphs (A), (B), and  
22                           (D), by striking “or (b)” each place it ap-  
23                           pears and inserting “or (b)(1)”; and

24                           (ii) by amending subparagraph (C) to  
25                           read as follows:

1           “(C) *an estimate of the significance of the*  
2           *provision of the items described in paragraph (1)*  
3           *or (2) of section 5(a) or section 5(b)(1) to Iran’s*  
4           *ability to develop its petroleum resources, to*  
5           *maintain or expand its domestic production of*  
6           *refined petroleum products, to import refined pe-*  
7           *troleum products, or to develop its weapons of*  
8           *mass destruction or other military capabilities*  
9           *(as the case may be); and”.*

10           *(e) REPORTS ON UNITED STATES EFFORTS TO CUR-*  
11           *TAIL CERTAIN BUSINESS AND OTHER TRANSACTIONS RE-*  
12           *LATING TO IRAN.—Section 10 of such Act is amended—*

13           *(1) in subsection (a), by amending paragraph*  
14           *(4) to read as follows:*

15           *“(4) Iran’s use in the Middle East, the Western*  
16           *Hemisphere, Africa, and other regions, of Iranian*  
17           *diplomats and representatives of other government*  
18           *and military or quasi-governmental institutions or*  
19           *proxies of Iran, including, but not limited to,*  
20           *Hezbollah, to promote acts of international terrorism*  
21           *or to develop or sustain Iran’s nuclear, chemical, bio-*  
22           *logical, and missile weapons programs.”; and*

23           *(2) by adding at the end the following:*

24           *“(d) REPORTS ON CERTAIN BUSINESS AND OTHER*  
25           *TRANSACTIONS RELATING TO IRAN.—*

1           “(1) *IN GENERAL.*—Not later than 90 days after  
2           the date of the enactment of the Iran Refined Petro-  
3           leum Sanctions Act of 2009, and every 6 months  
4           thereafter, the President shall submit a report to the  
5           appropriate congressional committees regarding any  
6           person who has—

7                   “(A) provided Iran with refined petroleum  
8                   products;

9                   “(B) sold, leased, or provided to Iran any  
10                  goods, services, or technology that would allow  
11                  Iran to maintain or expand its domestic produc-  
12                  tion of refined petroleum products; or

13                  “(C) engaged in any activity that could  
14                  contribute to the enhancement of Iran’s ability to  
15                  import refined petroleum products.

16           “(2) *DESCRIPTION.*—For each activity set forth  
17           in subparagraphs (A) through (C) of paragraph (1),  
18           the President shall provide a complete and detailed  
19           description of such activity, including—

20                   “(A) the date or dates of such activity;

21                   “(B) the name of any persons who partici-  
22                   pated or invested in or facilitated such activity;

23                   “(C) the United States domiciliary of the  
24                   persons referred to in subparagraph (B);

1           “(D) any Federal Government contracts to  
2           which the persons referred to in subparagraph  
3           (B) are parties; and

4           “(E) the steps taken by the United States to  
5           respond to such activity.

6           “(3) *ADDITIONAL INFORMATION.*—The report re-  
7           quired by this subsection shall also include a list of—

8           “(A) any person that the President deter-  
9           mines is an agent, alias, front, instrumentality,  
10          representative, official, or affiliate of the Islamic  
11          Revolutionary Guard Corps or is an individual  
12          serving as a representative of the Islamic Revolu-  
13          tionary Guard Corps;

14          “(B) any person that the President deter-  
15          mines has knowingly provided material support  
16          to the Islamic Revolutionary Guard Corps or an  
17          agent, alias, front, instrumentality, representa-  
18          tive, official, or affiliate of the Islamic Revolu-  
19          tionary Guard Corps; and

20          “(C) any person who has conducted any  
21          commercial transaction or financial transaction  
22          with the Islamic Revolutionary Guards Corps or  
23          an agent, alias, front, instrumentality, represent-  
24          ative, official, or affiliate of the Islamic Revolu-  
25          tionary Guard Corps.

1           “(4) *FORM OF REPORTS; PUBLICATION.*—*The re-*  
2           *ports required under this subsection shall be—*

3                     “(A) *submitted in unclassified form, but*  
4                     *may contain a classified annex; and*

5                     “(B) *published in the Federal Register.*

6           “(e) *REPORTS ON GLOBAL TRADE RELATING TO*  
7           *IRAN.*—*Not later than one year after the date of the enact-*  
8           *ment of the Iran Refined Petroleum Sanctions Act of 2009*  
9           *and annually thereafter, the President shall submit to the*  
10           *appropriate congressional committees a report, with respect*  
11           *to the immediately preceding 12-month period, on the dollar*  
12           *value amount of trade, including in the energy sector, be-*  
13           *tween Iran and each country maintaining membership in*  
14           *the Group of Twenty Finance Ministers and Central Bank*  
15           *Governors.”.*

16           (f) *CLARIFICATION AND EXPANSION OF DEFINI-*  
17           *TIONS.*—*Section 14 of such Act is amended—*

18                     (1) *in paragraph (13)(B)—*

19                             (A) *by inserting “financial institution, in-*  
20                             *surer, underwriter, guarantor, any other business*  
21                             *organization, including any foreign subsidiary,*  
22                             *parent, or affiliate of such a business organiza-*  
23                             *tion,” after “trust,”; and*

24                             (B) *by inserting “, such as an export credit*  
25                             *agency” before the semicolon at the end;*

1           (2) *by redesignating paragraphs (15) and (16)*  
2 *as paragraphs (17) and (18), respectively; and*

3           (3) *by striking paragraph (14) and inserting the*  
4 *following:*

5           “(14) *KNOWINGLY.*—*The term ‘knowingly’*  
6 *means—*

7                   “(A) *having actual knowledge; or*

8                   “(B) *having the constructive knowledge*  
9 *deemed to be possessed by a reasonable indi-*  
10 *vidual who acts under similar circumstances.*

11           “(15) *PETROLEUM RESOURCES.*—*The term ‘pe-*  
12 *troleum resources’ includes petroleum, oil or liquefied*  
13 *natural gas, oil or liquefied natural gas tankers, and*  
14 *products used to construct or maintain pipelines used*  
15 *to transport oil or compressed or liquefied natural*  
16 *gas.*

17           “(16) *REFINED PETROLEUM PRODUCTS.*—*The*  
18 *term ‘refined petroleum products’ means gasoline, ker-*  
19 *osene, diesel fuel, residual fuel oil, and distillates and*  
20 *other goods classified in headings 2709 and 2710 of*  
21 *the Harmonized Tariff Schedule of the United*  
22 *States.”.*

23           (g) *TERMINATION OF CERTAIN PROVISIONS.*—*Section*  
24 *8 of the Iran Sanctions Act of 1996 is amended—*

1           (1) *by striking “The requirement under section*  
2           *5(a)” and inserting “(a) SANCTIONS RELATING TO*  
3           *INVESTMENT.—The requirement under section*  
4           *5(a)(1)(A)”;*

5           (2) *by striking “with respect to Iran”;* and

6           (3) *by adding at the end the following:*

7           “*(b) REFINED PETROLEUM PRODUCTS.—The require-*  
8           *ments under paragraphs (1)(B) and (2) of section 5(a) and*  
9           *section 6(b) to impose sanctions shall no longer have force*  
10           *or effect if the President determines and certifies to the ap-*  
11           *propriate congressional committees that Iran—*

12           “*(1) has ceased its efforts to design, develop,*  
13           *manufacture, or acquire a nuclear explosive device or*  
14           *related materials and technology; and*

15           “*(2) has ceased nuclear-related activities, includ-*  
16           *ing uranium enrichment, that would facilitate the ef-*  
17           *forts described in paragraph (1).”.*

18           (h) *EXTENSION OF ACT.—Section 13(b) of the Iran*  
19           *Sanctions Act of 1996 is amended by striking “2011” and*  
20           *inserting “2016”.*

21           (i) *TECHNICAL AMENDMENTS.—*

22           (1) *MULTILATERAL REGIME.—Section 4 of such*  
23           *Act is amended—*

1           (A) in subsection (b)(2), by striking “(in  
2           addition to that provided in subsection (d))”;  
3           and

4           (B) by striking subsection (d) and redesignig-  
5           nating subsections (e) and (f) as subsections (d)  
6           and (e), respectively.

7           (2) *REFERENCE TO COMMITTEE ON FOREIGN AF-*  
8           *FAIRS.*—Section 14(2) of such Act is amended by  
9           striking “International Relations” and inserting  
10          “Foreign Affairs”.

11          (3) *CONFORMING AMENDMENTS.*—(A) Section  
12          5(c)(1) of such Act is amended by striking “or (b)”  
13          and inserting “or (b)(1)”.

14          (B) Section 9(a) of such Act is amended by strik-  
15          ing “or 5(b)” each place it appears and inserting “or  
16          5(b)(1)”.

17 **SEC. 4. EFFECTIVE DATE; RULE OF CONSTRUCTION.**

18          (a) *IN GENERAL.*—The amendments made by this Act  
19          shall take effect upon the expiration of the 60-day period  
20          beginning on the date of the enactment of this Act, except  
21          that—

22          (1) paragraphs (1) and (2) of section 5(a), sec-  
23          tion 5(b)(2), and section 6(b), of the Iran Sanctions  
24          Act of 1996, as amended by this Act, shall apply to  
25          conduct engaged in on or after October 28, 2009, not-

1       *withstanding section 5(f)(3) of the Iran Sanctions Act*  
2       *of 1996; and*

3               *(2) the amendments made by subsection (d) of*  
4       *section 3 of this Act shall apply with respect to con-*  
5       *duct engaged in before, on, or after the date of the en-*  
6       *actment of this Act.*

7       ***(b) RULE OF CONSTRUCTION.—***

8               ***(1) EXISTING SANCTIONS NOT AFFECTED.—****The*  
9       *amendments made by subsections (a) and (b) of sec-*  
10       *tion 3 of this Act shall not be construed to affect the*  
11       *requirements of section 5(a) of the Iran Sanctions Act*  
12       *of 1996 as in effect before the date of the enactment*  
13       *of this Act, and such requirements continue to apply,*  
14       *on and after such date of enactment, to conduct en-*  
15       *gaged in before October 28, 2009.*

16               ***(2) WAIVER AUTHORITY.—****The amendments*  
17       *made by subsection (d) of section 3 of this Act shall*  
18       *not be construed to affect any exercise of the authority*  
19       *under section 4(f) or section 9(c) of the Iran Sanc-*  
20       *tions Act of 1996 as in effect on the day before the*  
21       *date of the enactment of this Act.*

Union Calendar No. 217

111<sup>TH</sup> CONGRESS  
1<sup>ST</sup> Session

**H. R. 2194**

[Report No. 111-342, Part I]

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## **A BILL**

To amend the Iran Sanctions Act of 1996 to enhance United States diplomatic efforts with respect to Iran by expanding economic sanctions against Iran.

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DECEMBER 11, 2009

Committee on Ways and Means discharged; committed to the Committee of the Whole House on the State of the Union and ordered to be printed