112TH CONGRESS
2D Session

H. R. 4317

To expand sanctions with respect to the energy sector of Iran, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MARCH 29, 2012

Mr. DEUTCH (for himself and Mr. DOLD) introduced the following bill; which was referred to the Committee on Foreign Affairs

A BILL

To expand sanctions with respect to the energy sector of Iran, 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.

This Act may be cited as the “Iranian Energy Sector and Proliferation Sanctions Act”.

SEC. 2. EXPANSION OF SANCTIONS WITH RESPECT TO THE ENERGY SECTOR OF IRAN.

(a) SENSE OF CONGRESS.—It is the sense of the Congress that—
(1) as noted in United Nations Security Council Resolution 1929 (2010), the revenues derived by the Government of Iran from the energy sector of Iran may be used to fund Iran’s proliferation-sensitive nuclear activities; and

(2) the energy sector of Iran should be regarded as a zone of proliferation concern with which no legitimate international business should be conducted.

(b) Imposition of Sanctions With Respect to Certain Entities in the Energy Sector of Iran.—

(1) In General.—Except as specifically provided in this section, beginning on the date that is 60 days after the date of the enactment of this Act, the President shall impose sanctions pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.) with respect to any person that conducts any transaction with, or invests in, any entity described in paragraph (2).

(2) Entity Described.—An entity described in this paragraph is—

(A) any entity that—

(i) is organized under the laws of Iran or otherwise subject to the jurisdiction of the Government of Iran; and
(i)(I) is involved in the development, production, extraction, or transportation of petroleum, refined petroleum products, natural gas, or petrochemical products, without regard to whether such development, production, extraction, or transportation occurs in Iran; or

(II) provides financing or other services with respect to such development, production, extraction, or transportation; and

(B) any entity that provides goods, services, or technology to an entity described in subparagraph (A).

(3) SERVICES DEFINED.—For purposes of this subsection, the term “services” includes transportation, insurance, reinsurance, software, hardware, financial, professional consulting, engineering, specialized energy information, and support services.

(c) APPLICABILITY OF SANCTIONS WITH RESPECT TO CRUDE OIL PURCHASES FROM IRAN.—Sanctions imposed pursuant to subsection (b) shall not apply with respect to a person that purchases crude oil from Iran, or with respect to a person that provides goods, services, or technology to facilitate or enable such a purchase, if an exemption under paragraph (4)(D) of section 1245(d) of
the National Defense Authorization Act for Fiscal Year 2012 (Public Law 112–81; 125 Stat. 1648) to the imposi-
tion of sanctions under paragraph (1) of that section ap-
plies with respect to the country with primary jurisdiction
over the person that purchases crude oil from Iran at the
time of the purchase.

(d) WAIVER.—The President may waive the imposi-
tion of sanctions under subsection (b) for a period of not
more than 120 days, and may renew that waiver for addi-
tional periods of not more than 120 days, if the Presi-
dent—

(1) determines that such a waiver is vital to the
national security of the United States; and

(2) submits to Congress a report—

(A) providing a justification for the waiver;

and

(B) that includes any concrete cooperation
the President has received or expects to receive
as a result of the waiver.

(e) REPORT.—

(1) IN GENERAL.—Not later than 180 days
after the date of the enactment of this Act, and
every 180 days thereafter, the Comptroller General
of the United States shall submit to the appropriate
congressional committees a report that identifies each entity described in subsection (b)(2).

(2) FORM OF REPORT.—Each report submitted under this subsection shall be submitted in unclassified form, but may contain a classified annex.

(f) RULE OF CONSTRUCTION.—Nothing in this section shall be construed to require or authorize the imposition of sanctions with respect to any person that participates in, or provides services to, a joint venture established before January 1, 2002, with respect to the development of petroleum resources outside of Iran.

(g) DEFINITIONS.—In this section—

(1) the term “appropriate congressional committees” has the meaning given the term in section 14 of the Iran Sanctions Act of 1996 (Public Law 104–172; 50 U.S.C. 1701 note);

(2) the term “petrochemical product” includes any aromatic, olefin, or synthesis gas, and any derivative of such a gas, including ethylene, propylene, butadiene, benzene, toluene, xylene, ammonia, methanol, and urea; and

(3) the “refined petroleum products” has the meaning given the term in section 14 of the Iran