

110TH CONGRESS  
1ST SESSION

# H. R. 394

To provide for payment of certain claims against the Government of Iran.

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## IN THE HOUSE OF REPRESENTATIVES

JANUARY 10, 2007

Ms. ROS-LEHTINEN (for herself, Mr. SHERMAN, Mr. WILSON of South Carolina, Mr. CROWLEY, Mr. CHABOT, and Mr. ENGEL) introduced the following bill; which was referred to the Committee on the Judiciary, and in addition to the Committee on Foreign Affairs, 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 payment of certain claims against the  
Government of Iran.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. FINDINGS.**

4       Congress finds the following:

5               (1) On November 4, 1979, the Iranian militants  
6       seized the United States Embassy in Tehran, Iran,  
7       and held 52 Americans hostage for 444 days until  
8       their negotiated release on January 20, 1981.

1           (2) On January 19, 1981, the Department of  
2           State entered into a series of agreements with Iran  
3           that came to be known as the Algiers Accords. The  
4           accords established the United States-Iran Claims  
5           Tribunal to adjudicate United States and Iranian  
6           commercial claims. The Accords, however, sought to  
7           preclude the 52 American hostages or their families  
8           from bringing suit against Iran for their seizure, de-  
9           tention, torture, and injuries.

10          (3) On December 29, 2000, the 52 American  
11          hostages and their spouses and children filed suit in  
12          the United States District Court for the District of  
13          Columbia, pursuant to the Antiterrorism and Effec-  
14          tive Death Penalty Act of 1996 (Public Law 104–  
15          132).

16          (4) On August 6, 2001, the District Court en-  
17          tered a default judgment against Iran after certi-  
18          fying the case as a class action.

19          (5) The Department of State moved to vacate  
20          the decision of the District Court, despite Iran’s con-  
21          tinued refusal to appear in court.

22          (6) In response to the motion to vacate by the  
23          Department of State, Congress amended the  
24          Antiterrorism and Effective Death Penalty Act of  
25          1996 by adding language to allow the claim of the

1 hostages to proceed to judgment. The accompanying  
2 Conference Report specifically stated that the  
3 amendment “quashes the State Department’s mo-  
4 tion to vacate the judgment obtained by plaintiffs in  
5 Case Number 1:00CV03110 (ESG) in the United  
6 States District Court for the District of Columbia”.

7 (7) Congress further reaffirmed this view by en-  
8 acting section 208 of division B of Public Law 107–  
9 117, making a technical correction to the case num-  
10 ber.

11 (8) On May 12, 2003, during oral arguments,  
12 the United States Court of Appeals for the District  
13 of Columbia Circuit noted that the agreements  
14 reached pursuant to the Algiers Accords “were at  
15 the point of a gun”, and observed that the Court  
16 “doubt[ed] that the Government of the United  
17 States would defend this agreement on the theory  
18 that we would have entered into this voluntarily  
19 without them holding onto our hostages”.

20 (9) On May 12, 2003, during oral arguments  
21 before the Court of Appeals, the attorneys rep-  
22 resenting the Department of Justice affirmed to the  
23 Court that “both Congress and the President, both  
24 the political branches in other words, have the au-

1       thority to abrogate the international obligations of  
2       the United States”.

3   **SEC. 2. STATEMENTS OF POLICY.**

4       (a) PURSUIT OF JUSTICE AND ACCOUNTABILITY.—

5   It is the policy of the United States, as articulated in the  
6   Antiterrorism and Effective Death Penalty Act of 1996  
7   and in other United States laws, to seek justice for United  
8   States victims of terrorism and to hold terrorists and their  
9   state-sponsors accountable for their actions.

10       (b) PREEMPTION.—United States law regarding vic-  
11   tims of terrorism supersedes the Algiers Accords and any  
12   other agreement with Iran stemming from the holding of  
13   American hostages in Iran from November 4, 1979,  
14   through January 20, 1981.

15   **SEC. 3. JUSTICE FOR FORMER AMERICAN HOSTAGES IN**  
16       **IRAN.**

17       (a) INAPPLICABILITY OF ALGIERS ACCORDS.—Any  
18   provision of the Algiers Accords, entered into with Iran  
19   on January 19, 1981, that purports to bar a citizen of  
20   the United States from prosecuting any claim in any court  
21   of the United States or to limit the jurisdiction of any  
22   court of the United States is hereby abrogated and deemed  
23   nonapplicable.

24       (b) COMMON FUND FOR HOSTAGES.—

1           (1) IN GENERAL.—Not later than 90 days after  
2           the date of the enactment of this Act, the Secretary  
3           of the Treasury, in consultation with the Secretary  
4           of State, shall commence payments to a common  
5           fund to be established and administered by the cer-  
6           tified class representatives for the former American  
7           hostages in Iran and their survivors (as identified in  
8           case number 1:00CV03110 (EGS) of the United  
9           States District Court for the District of Columbia).  
10          Such common fund shall—

11                 (A) be administered to pay claims to the  
12                 Americans held hostage in Iran, and to mem-  
13                 bers of their families, who are identified as  
14                 class members in case number 1:00CV03110  
15                 (EGS) of the United States District Court for  
16                 the District of Columbia; and

17                 (B) be administered solely for purposes of  
18                 satisfying such claims, as approved by the cer-  
19                 tified class representatives identified in that  
20                 case number.

21          (2) FUNDING.—Payments to the fund under  
22          paragraph (1) shall be derived from the liquidation  
23          of blocked assets (as defined in section 201(d)(2) of  
24          the Terrorism Risk Insurance Act of 2002 (Public  
25          Law 107–297; 28 U.S.C. 1610 note) with respect to

1 Iran, and from amounts in the Iran Foreign Military  
2 Sales Fund account within the Foreign Military  
3 Sales Fund. The Secretary of the Treasury may liq-  
4 uidate such assets for purposes of this subsection.

5 (3) AMOUNT.—The Secretary of the Treasury  
6 shall make payments into the fund in amounts equal  
7 to—

8 (A) for each former hostage identified as a  
9 class member under paragraph (1)(A), \$1,000  
10 for each day of captivity;

11 (B) for each spouse and child identified as  
12 a class member under paragraph (1)(A), \$500  
13 for each day of captivity of the former hostages;  
14 and

15 (C) interest on each amount under sub-  
16 paragraph (A) and (B), calculated at the daily  
17 prime rate, as determined by the Board of Gov-  
18 ernors of the Federal Reserve System, for the  
19 period from the date of the taking of the hos-  
20 tages until the date of payment under this sec-  
21 tion.

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