

111TH CONGRESS
2D SESSION

H. R. 6043

To restrict participation in offshore oil and gas leasing by a person who engages in any activity for which sanctions may be imposed under section 5 of the Iran Sanctions Act of 1996, to require the lessee under an offshore oil and gas lease to disclose any participation by the lessee in certain energy-related joint ventures, investments, or partnerships located outside Iran, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 30, 2010

Mr. KLEIN of Florida (for himself, Mr. KIRK, Mr. ROTHMAN of New Jersey, Mr. DEUTCH, Mr. MCMAHON, Ms. BERKLEY, Ms. WASSERMAN SCHULTZ, and Mr. ENGEL) introduced the following bill; which was referred to the Committee on Natural Resources, 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

A BILL

To restrict participation in offshore oil and gas leasing by a person who engages in any activity for which sanctions may be imposed under section 5 of the Iran Sanctions Act of 1996, to require the lessee under an offshore oil and gas lease to disclose any participation by the lessee in certain energy-related joint ventures, investments, or partnerships located outside Iran, and for other purposes.

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. SHORT TITLE.**

4 This Act may be cited as the “Gulf Security and Iran
5 Sanctions Enforcement Act”.

6 **SEC. 2. FINDINGS.**

7 Congress makes the following findings:

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

15 (2) Executive Order 12959, issued on May 8,
16 1995, banned all new investment in Iran by United
17 States individuals and companies.

18 (3) On August 5, 1996, the Iran and Libya
19 Sanctions Act of 1996 (later re-titled the Iran Sanc-
20 tions Act of 1996) was enacted in order, among
21 other purposes, to encourage foreign persons to
22 withdraw from the Iranian market.

23 (4) United Nations Security Council Resolution
24 1929 (June 9, 2010) notes, “the potential connec-
25 tion between Iran’s revenues derived from its energy

1 sector and the funding of Iran’s proliferation-sen-
2 sitive nuclear activities,” and further notes that
3 “chemical process equipment and materials required
4 for the petrochemical industry have much in com-
5 mon with those required for certain sensitive nuclear
6 fuel cycle activities”.

7 (5) Through its sanctions regime, the United
8 States Government seeks to prevent the Iranian
9 Government and engineers and scientists employed
10 by state-owned Iranian energy companies or compa-
11 nies affiliated with Iran’s Revolutionary Guard
12 Corps from gaining access to key domain expertise,
13 technology and equipment that could aid the devel-
14 opment of Iran’s energy sector and also assist Iran
15 in certain proliferation activities.

16 (6) The Comprehensive Iran Sanctions, Ac-
17 countability, and Divestment Act of 2010, which was
18 signed into law on July 1, 2010, included sanctions
19 against goods, services, and technology to modernize
20 Iran’s oil and natural gas sector.

21 (7) The threat of sanctions has constrained the
22 supply of capital, technology, and services to the Ira-
23 nian petroleum sector, and several companies have
24 withdrawn their business from Iran.

1 (8) The Government of Iran is pursuing part-
2 nerships outside Iran with foreign energy-related
3 companies, including joint ventures, investments,
4 and partnerships.

5 **SEC. 3. SENSE OF CONGRESS.**

6 It is the sense of Congress that—

7 (1) the United States should continue to sup-
8 port diplomatic efforts in the International Atomic
9 Energy Agency and the United Nations Security
10 Council to end the Government of Iran’s illicit nu-
11 clear activities;

12 (2) international diplomatic efforts to address
13 the Government of Iran’s illicit nuclear efforts and
14 support for international terrorism are more likely to
15 be effective if strong additional sanctions are im-
16 posed on the Government of Iran;

17 (3) the concerns of the United States regarding
18 the Government of Iran are strictly the result of the
19 actions of the Government of Iran;

20 (4) Iranian partnerships outside Iran with for-
21 eign energy-related companies, including joint ven-
22 tures, investments and partnerships, could give the
23 Iranian Government and engineers and scientists
24 employed by state-owned Iranian energy companies
25 or companies affiliated with Iran’s Revolutionary

Guard Corps access to key domain expertise, technology and equipment that could aid the development of Iran's energy sector and also assist Iran in certain proliferation activities;

(5) joint ventures with Iranian state-owned energy companies serve to interfere with international attempts to build a consensus for action regarding the Government of Iran's ongoing refusal to comply with its international obligations regarding its nuclear program; and

(6) in order for sanctions to be effective and enabling a diplomatic solution, the Government of Iran should be prevented from disregarding their international obligations by prohibiting foreign companies from receiving Iranian capital, technology, and expertise, and by blocking foreign energy-related companies from entering into joint ventures, investments, and partnerships for energy and energy-related projects outside of Iran.

**SEC. 4. RESTRICTION ON PARTICIPATION IN OFFSHORE
OIL AND GAS LEASING.**

(a) CERTIFICATION REQUIREMENT.—The Secretary of the Interior shall—

(1) include in each lease issued after the date of enactment of this Act that authorizes drilling for

1 oil and gas on the Outer Continental Shelf a provi-
2 sion that requires that—

3 (A) the person that is the lessee to certify
4 annually to the Secretary that the person does
5 not engage in any activity for which sanctions
6 may be imposed under section 5 of the Iran
7 Sanctions Act of 1996 (50 U.S.C. 1701 note);
8 and

9 (B) authorizes the Secretary to cancel the
10 lease if the person fails to make such a certifi-
11 cation or makes such a certification that is
12 false; and

13 (2) upon determination by the Secretary, in
14 consultation with the Secretary of the Treasury, that
15 the person has failed to make a certification re-
16 quired under such provision or made such a certifi-
17 cation that is false, shall cancel the lease.

18 (b) DISCLOSURE REQUIREMENT.—The Secretary of
19 the Interior shall—

20 (1) include in each lease issued after the date
21 of enactment of this Act that authorizes drilling for
22 oil and gas on the Outer Continental Shelf a provi-
23 sion that—

24 (A) requires the person that is the lessee
25 to disclose to the Secretary any participation by

1 the person in any energy-related joint venture,
2 investment, or partnership located outside Iran
3 that involves—

4 (i) any person whose property and in-
5 terests in property are blocked pursuant to
6 Executive Order 13224 (66 Fed. Reg.
7 49079; relating to blocking property and
8 prohibiting transacting with persons who
9 commit, threaten to commit, or support
10 terrorism);

11 (ii) any person whose property and in-
12 terests in property are blocked pursuant to
13 Executive Order 13382 (70 Fed. Reg.
14 38567; relating to blocking of property of
15 weapons of mass destruction proliferators
16 and their supporters); or

17 (iii) any entity listed on appendix A to
18 part 560 of title 31, Code of Federal Regu-
19 lations (relating to the Iranian Trans-
20 actions Regulations); and

21 (B) authorizes the Secretary to cancel the
22 lease if the person fails to make such a disclo-
23 sure or makes such a disclosure that is false;
24 and

1 (2) upon determination by the Secretary, in
2 consultation with the Secretary of the Treasury, that
3 the person has failed to make a disclosure required
4 under such provision or made such a disclosure that
5 is false, shall cancel the lease.

6 (c) WAIVER.—

7 (1) IN GENERAL.—The Secretary of the Inte-
8 rior may waive the requirement of subsection (a) or
9 (b) (or both) on a case-by-case basis if the Secretary
10 determines and certifies in writing to the appro-
11 priate congressional committees that it is in the na-
12 tional interest of the United States to do so.

13 (2) REPORTING REQUIREMENT.—Not later than
14 120 days after the date of the enactment of this Act
15 and semi-annually thereafter, the Secretary of the
16 Interior shall submit to the appropriate congres-
17 sional committees a report on waivers granted under
18 paragraph (1).

19 (d) REPORTING REQUIREMENT.—The Secretary of
20 the Interior shall promptly report to the appropriate con-
21 gressional committees any cancellation of a lease under
22 this section, including an explanation of the reasons for
23 the cancellation.

24 (e) DEFINITIONS.—In this section—

1 (1) the term “appropriate congressional com-
2 mittees” means—

3 (A) the Committee on Natural Resources
4 and the Committee on Foreign Affairs of the
5 House of Representatives; and

6 (B) the Committee on Energy and Natural
7 Resources and the Committee on Foreign Rela-
8 tions of the Senate; and

9 (2) the term “person” has the meaning given
10 such term in section 14(14) of the Iran Sanctions
11 Act of 1996 (50 U.S.C. 1701 note).

12 **SEC. 5. SUNSET.**

13 This Act shall terminate 30 days after the date on
14 which the President certifies to Congress that the Govern-
15 ment of Iran—

16 (1) has permanently ceased—

17 (A) providing support for acts of inter-
18 national terrorism and no longer satisfies the
19 requirements for designation as a state sponsor
20 of terrorism for purposes of section 6(j) of the
21 Export Administration Act of 1979, section
22 620A of the Foreign Assistance Act of 1961,
23 section 40 of the Arms Export Control Act, or
24 any other provision of law; and

1 (B) the pursuit, acquisition, and develop-
2 ment of nuclear, biological, and chemical weap-
3 ons and missiles; and

4 (2) poses no significant threat to United States
5 national security, interests, or allies.

○