

114TH CONGRESS
2D SESSION

H. R. 5139

To limit the use of funds available to the Department of Defense for fiscal year 2017 to procure, or enter into any contract for the procurement of, any goods or services from persons that provide material support to certain Iranian persons.

IN THE HOUSE OF REPRESENTATIVES

APRIL 29, 2016

Mr. ROSKAM (for himself and Mrs. WALORSKI) introduced the following bill; which was referred to the Committee on Armed Services, and in addition to the Committee on Oversight and Government Reform, 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 limit the use of funds available to the Department of Defense for fiscal year 2017 to procure, or enter into any contract for the procurement of, any goods or services from persons that provide material support to certain Iranian persons.

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 “No Defense Contracts
5 for Terror Profiteers Act of 2016”.

1 **SEC. 2. LIMITATION ON USE OF FUNDS AVAILABLE TO THE**
2 **DEPARTMENT OF DEFENSE FOR FISCAL YEAR**
3 **2017 TO PROCURE, OR ENTER INTO ANY CON-**
4 **TRACT FOR THE PROCUREMENT OF, ANY**
5 **GOODS OR SERVICES FROM PERSONS THAT**
6 **PROVIDE MATERIAL SUPPORT TO CERTAIN**
7 **IRANIAN PERSONS.**

8 (a) LIMITATION.—No funds available to the Depart-
9 ment of Defense for fiscal year 2017 may be used to pro-
10 cure, or enter into any contract for the procurement of,
11 any goods or services from any person that provides mate-
12 rial support to, including engaging in a significant trans-
13 action or transactions with, a covered Iranian person dur-
14 ing such fiscal year.

15 (b) CERTIFICATION.—The Federal Acquisition Regu-
16 lation shall be revised to require a certification from each
17 person that is a prospective contractor that such person
18 does not engage in any of the conduct described in sub-
19 section (a). Such revision shall apply with respect to con-
20 tracts in an amount greater than the simplified acquisition
21 threshold (as defined in section 134 of title 41, United
22 States Code) for which solicitations are issued on or after
23 the date that is 90 days after the date of the enactment
24 of this Act.

25 (c) WAIVER.—The Secretary of Defense, in consulta-
26 tion with the Secretary of State and the Secretary of the

1 Treasury, may, on a case-by-case basis, waive the limita-
2 tion in subsection (a) with respect to a person if the Sec-
3 retary of Defense, in consultation with the Secretary of
4 State and the Secretary of the Treasury—

5 (1) determines that the waiver is important to
6 the national security interest of the United States;
7 and

8 (2) submits to the appropriate committees of
9 Congress a notification of, and detailed justification
10 for, the waiver not less than 30 days before the date
11 on which the waiver is to take effect.

12 (d) DEFINITIONS.—In this section:

13 (1) APPROPRIATE COMMITTEES OF CON-
14 GRESS.—The term “appropriate committees of Con-
15 gress” means—

16 (A) the Committee on Armed Services and
17 the Committee on Foreign Relations of the Sen-
18 ate; and

19 (B) the Committee on Armed Services and
20 the Committee on Foreign Affairs of the House
21 of Representatives.

22 (2) COVERED IRANIAN PERSON.—The term
23 “covered Iranian person” means an Iranian person
24 that—

1 (A) is included on the list of specially des-
2 ignated nationals and blocked persons main-
3 tained by the Office of Foreign Assets Control
4 of the Department of the Treasury and the
5 property and interests in property of which are
6 blocked pursuant to the International Emer-
7 gency Economic Powers Act (50 U.S.C. 1701 et
8 seq.) for acting on behalf of or at the direction
9 of, or being owned or controlled by, the Govern-
10 ment of Iran;

11 (B) is included on the list of persons iden-
12 tified as blocked solely pursuant to Executive
13 Order 13599; or

14 (C) in the case of an Iranian person de-
15 scribed in paragraph (3)(B)—

16 (i) is owned, directly or indirectly,
17 by—

18 (I) Iran's Revolutionary Guard
19 Corps, or any agent or affiliate there-
20 of; or

21 (II) one or more other Iranian
22 persons that are included on the list
23 of specially designated nationals and
24 blocked persons as described in sub-
25 paragraph (A) if such Iranian persons

1 collectively own a 25 percent or great-
2 er interest in the Iranian person; or
3 (ii) is controlled, managed, or di-
4 rected, directly or indirectly, by Iran’s Rev-
5 olutionary Guard Corps, or any agent or
6 affiliate thereof, or by one or more other
7 Iranian persons described in clause (i)(II).

8 (3) IRANIAN PERSON.—The term “Iranian per-
9 son” means—

10 (A) an individual who is a national of Iran;
11 or

12 (B) an entity that is organized under the
13 laws of Iran or otherwise subject to the jurisdic-
14 tion of the Government of Iran.

15 (4) PERSON.—The term “person” has the
16 meaning given such term in section 560.305 of title
17 31, Code of Federal Regulations, as such section
18 560.305 was in effect on April 22, 2016.

19 (5) SIGNIFICANT TRANSACTION OR TRANS-
20 ACTIONS.—The term “significant transaction or
21 transactions” shall be determined, for purposes of
22 this section, in accordance with section 561.404 of
23 title 31, Code of Federal Regulations, as such sec-
24 tion 561.404 was in effect on January 1, 2016.

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