

EXTENSIONS OF REMARKS

IRAN FOREIGN OIL SANCTIONS ACT OF 1995

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 12, 1995

Mr. GILMAN. Mr. Speaker, I rise today to introduce H.R. 2458 a bill that would impose sanctions on foreign entities who provide oil-field equipment and technology to Iran. The Iran Foreign Oil Sanctions Act of 1995 declares that Iran's efforts to acquire weapons of mass destruction endanger the security of the United States and its allies and that we should prevent Iran from earning the hard currency they need to purchase these weapons.

By requiring the President to ban United States Government procurement, export licenses and Eximbank assistance to companies providing Iran with assistance in developing its oil fields, this bill will help the United States develop a comprehensive policy designed to deter Iran from supporting international terrorism and developing nuclear weapons and the means to deliver them.

The measure would permit the President to impose additional financial and investment sanctions if he deemed them necessary to accomplish these critically important goals. It would also provide the administration with the flexibility to delay the imposition of any sanctions on foreign companies and would provide for a general waiver in the event that the President determines it is essential to our national security interests.

If enacted, this bill would ensure that Iran does not succeed in circumventing President Clinton's 3-month-old trade embargo against Iran. That embargo ended United States companies' purchases of Iranian crude oil.

As long as our trading partners continue business as usual with this terrorist country, our own embargo will have little longterm effect on its policies. Iran has invited several prominent Japanese and European companies to invest more than \$6 billion in 12 new oil and gas projects and will hold a major investment conference in November. Congress can and must ensure that these companies pay a price for their participation.

Perhaps the most eloquent statement endorsing the goals of this legislation was made by Secretary of State Warren Christopher on September 25 in a speech before the 50th session of the United Nations General Assembly. The following is an excerpt from that address:

States that sponsor terrorists should feel the full weight of sanctions that can be imposed by the international community. Let us not deceive ourselves: Every dollar that goes into the coffers of a state sponsor of terrorism makes its secret quest for weapons of mass destruction even more alarming. We must stand together to prevent Iran from acquiring such threatening capabilities.

I would also like to acknowledge the leadership role of my New York colleague, Senator ALFONSE D'AMATO, in sponsoring a very simi-

lar measure in the other body. I would also like to pay tribute to my International Relations Committee colleague, Peter King, for his legislative efforts earlier this year to begin the process of imposing sanctions by the international community against this outlaw State.

At this point, I would request that the full text of my bill be inserted in the RECORD for review by my colleagues:

H.R. 2458

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 "Iran Foreign Oil Sanctions Act of 1995".

SEC. 2. FINDINGS.

The Congress makes the following findings:

(1) The efforts of the Government of Iran to acquire weapons of mass destruction and the means to deliver them endanger potentially the national security and foreign policy interests of the United States and those countries with which it shares common strategic and foreign policy objectives.

(2) The objective of preventing the proliferation of weapons of mass destruction through existing multilateral and bilateral initiatives requires additional efforts to deny Iran the financial means to sustain its nuclear, chemical, biological, and missile weapons programs.

SEC. 3. DECLARATION OF POLICY.

The Congress declares that it is the policy of the United States to deny Iran the ability to fund the development and acquisition of weapons of mass destruction and the means to deliver them by preventing Iran from acquiring equipment that would enhance Iran's ability to extract, refine, process, store, or transport petroleum, petroleum products, or natural gas.

SEC. 4. IMPOSITION OF SANCTIONS ON FOREIGN PERSONS EXPORTING CERTAIN GOODS OR TECHNOLOGY TO IRAN.

(a) IN GENERAL.—The President shall impose the mandatory sanctions described in section 5(1) and may impose one or more of the discretionary sanctions described in section 5(2), if the President determines that a foreign person has, with requisite knowledge, on or after the date of the enactment of this Act, exported, transferred, or released to Iran, nationals of Iran, or entities owned or controlled by Iran or nationals of Iran any goods or technology identified on the List of Petroleum and Natural Gas-Related Goods and Technology established under section 9 (hereafter in this Act referred to as the "List")—

(1) through the export from the United States of any goods or technology identified in the List, or

(2) through the export from any other country or territory of any goods or technology identified in the List, whether or not the goods or technology is subject to the jurisdiction of the United States.

(b) PERSONS AGAINST WHICH THE SANCTIONS ARE TO BE IMPOSED.—The sanctions described in subsection (a) shall be imposed on—

(1) the foreign person with respect to whom the President makes the determination described in that subsection;

(2) any successor entity to that foreign person;

(3) any foreign person that is a parent or subsidiary of that person if that parent or subsidiary with requisite knowledge engaged in the activities which were the basis of that determination; and

(4) any foreign person that is an affiliate of that person if that affiliate with requisite knowledge engaged in the activities which were the basis of that determination and if that affiliate is controlled in fact by that person.

For purposes of this Act, any person or entity described in this subsection shall be referred to as a "sanctioned foreign person".

SEC. 5. DESCRIPTION OF SANCTIONS.

The sanctions to be imposed on a sanctioned foreign person under section 4(a) are as follows:

(1) MANDATORY SANCTIONS.—

(A) PROCUREMENT SANCTION.—The United States Government shall not procure, or enter into any contract for the procurement of, any goods or services from the sanctioned foreign person.

(B) EXPORT SANCTION.—The United States Government shall not, for a period of 3 years, issue any license or grant any other permission or authority to export any goods or technology to a sanctioned foreign person under—

- (i) the Export Administration Act of 1979;
- (ii) the Arms Export Control Act; or
- (iii) the Atomic Energy Act of 1954.

(C) PROHIBITION AGAINST EXPORT-IMPORT BANK ASSISTANCE FOR EXPORTS TO FOREIGN PERSONS.—The Export-Import Bank of the United States may not guarantee, insure, extend credit, or participate in the extension of credit in connection with the export of any goods or services to any sanctioned foreign person.

(2) DISCRETIONARY SANCTIONS.—

(A) INVESTMENT IN THE UNITED STATES; AUTHORITY TO REVIEW CERTAIN MERGERS, ACQUISITIONS, AND TAKEOVERS.—The President may exercise his authority under section 721(d) of the Defense Production Act of 1950 (50 U.S.C. App. 2170(d)) to investigate and prohibit mergers, acquisitions, takeovers, and other similar investments in the United States by persons engaged in interstate commerce—

(i) if such actions involve any sanctioned foreign person; and

(ii) if the President finds, in addition to the requirements of section 721(e) of such Act, that the participation of any sanctioned foreign person in activities to assist, directly or indirectly, Iran to increase the revenue available to that government by extracting petroleum, petroleum products, natural gas, or engaging in other activities described in section 9(a)(1) threatens to impair the national security and foreign policy interests of the United States.

(B) IMPORT SANCTION.—(i) The importation into the United States of products produced by any sanctioned foreign person may be prohibited.

(ii) Clause (i) includes application to—

(I) the entry of any finished product or component part, whether shipped directly by the sanctioned foreign person or by another entity; and

(II) the contracting with a sanctioned foreign person for the provision of services in the United States or abroad by United States persons and by foreign persons in the United States.

• This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

(C) LOANS FROM UNITED STATES FINANCIAL INSTITUTIONS.—The United States Government may prohibit any United States financial institution from making any loan or providing any credit to any sanctioned foreign person unless such foreign person is engaged in activities to relieve human suffering, within the meaning of section 203(b)(2) of the International Emergency Economic Powers Act (50 U.S.C. 1702(b)(2)).

(D) PROHIBITIONS ON FOREIGN FINANCIAL INSTITUTIONS.—The following prohibitions may be imposed against a sanctioned foreign person that is a financial institution:

(i) DESIGNATION AS PRIMARY DEALER.—Neither the Board of Governors of the Federal Reserve System nor the Federal Reserve Bank of New York may designate, or permit the continuation of any prior designation of, such financial institution as a primary dealer in United States Government debt instruments.

(ii) GOVERNMENT FUNDS.—Such financial institution shall not serve as agent of the United States Government or serve as repository for United States Government funds.

(iii) RESTRICTIONS ON OPERATIONS.—Such financial institutions shall not, directly or indirectly—

(I) commence any line of business in the United States in which it was not engaged as of the date of the determination by the President under section 4(a) leading to the imposition of sanctions; or

(II) conduct business from any location in the United States at which it did not conduct business as of the date of such determination by the President under section 4(a).

SEC. 6. WAIVER AUTHORITY REGARDING SANCTIONS AGAINST IRAN.

The sanctions under section 5 shall not apply if the President determines and certifies to the appropriate congressional committees that Iran—

(1) has substantially improved its adherence to internationally recognized standards of human rights;

(2) has ceased its efforts to design, develop, manufacture, or acquire—

(A) a nuclear explosive device or related materials and technology;

(B) chemical and biological weapons;

(C) missiles and missile launch technology; and

(D) any missile or other delivery system capable of reaching the territory of a country the government of which shares strategic interests with the United States and is engaged in defense cooperation, including the acquisition of items identified in the United States Munitions List, with the United States; and

(3) has ceased all forms of support for international terrorism.

SEC. 7. WAIVER OF SANCTIONS AGAINST FOREIGN PERSONS.

(a) CONSULTATION WITH FOREIGN GOVERNMENTS.—

(1) CONSULTATIONS.—If the President makes a determination described in section 4(a) with respect to a foreign person, the Congress urges the President to initiate consultations immediately with the foreign government with primary jurisdiction over that foreign person with respect to the imposition of the sanctions pursuant to this Act.

(2) ACTIONS BY GOVERNMENT OF JURISDICTION.—In order to pursue such consultations with that government, the President may delay imposition of the sanctions under section 5 for up to 90 days. Following such consultations, the President shall immediately impose sanctions unless the President determines and certifies to the Congress that the government has taken specific and effective actions, including the imposition of appropriate penalties, to terminate the involve-

ment of the foreign person in the activities that resulted in the imposition of sanctions against the foreign person.

(3) ADDITIONAL DELAY IN IMPOSITION OF SANCTIONS.—The President may delay the imposition of sanctions for up to an additional 45 days if the President determines and certifies to the Congress that the government with primary jurisdiction over the foreign person is in the process of taking the actions described in paragraph (2).

(4) REPORT TO CONGRESS.—Not later than 45 days after making a determination under section 4(a), the President shall submit to the appropriate congressional committees a report on the status of consultations with the appropriate foreign government under this subsection, and the basis for any determination under paragraph (3) that such government has taken specific corrective actions.

(b) ASSURANCES FROM FOREIGN PERSONS.—The President may terminate the sanctions against a sanctioned foreign person, if the foreign person provides assurances to the Secretary that the actions that resulted in the determination to impose sanctions have been terminated and has provided specific assurances that it will neither directly nor indirectly, or through any other person, including subsidiaries and affiliates, direct or participate in any activity to provide to Iran items on the List.

(c) EXCEPTIONS.—The President shall not be required to apply or maintain a sanction under section 4(a)—

(1) in the case of procurement of defense articles or defense services—

(A) under existing contracts or subcontracts, including the exercise of options for production quantities to satisfy requirements essential to the national security of the United States;

(B) if the President determines in writing that the person or other entity to which the sanction would otherwise be applied is a sole source supplier of the defense articles or services, that the defense articles or services are essential, and that alternative sources are not readily or reasonably available; or

(C) if the President determines in writing that such articles or services are essential to the national security under defense coproduction agreements;

(2) to products or services provided under contracts entered into before the date on which the President publishes his intention to impose the sanction;

(3) to—

(A) spare parts which are essential to United States products or production;

(B) component parts, but not finished products, essential to United States products or production; or

(C) routine servicing and maintenance of products, to the extent that alternative sources are not readily or reasonably available;

(4) to information and technology essential to United States products or production; or

(5) to medicines, medical supplies, or other humanitarian items.

(d) PRESIDENTIAL NATIONAL SECURITY WAIVER.—(1) The President may waive the requirement in section 4(a) to impose a sanction or sanctions on a foreign person in section 4(b), for an export, transfer, or release of goods or technology that are not subject to the jurisdiction of the United States, 15 days after the President determines and so reports to the appropriate congressional committees that it is essential to the national interest of the United States to exercise such waiver authority.

(2) Any such report shall provide a specific and detailed rationale for such determination, including—

(A) a description of the conduct, including the identification of the goods or technology involved in the violation, that resulted in the determination of a violation or violations;

(B) an explanation of the efforts to secure the cooperation of the government with primary jurisdiction of the foreign person committing the violation to terminate or penalize the activities that resulted in the determination of a violation;

(C) an estimate as to the significance of the goods or technology exported to Iran on that country's ability to extract, refine, process, store, or transport petroleum, petroleum products, or natural gas; and

(D) a statement as to the response of the United States in the event that such foreign person engages in other activities that under this Act would constitute an additional violation.

SEC. 8. TERMINATION OF SANCTIONS.

(a) DURATION OF SANCTIONS.—The sanctions imposed pursuant to this Act shall apply for a period of not less than 12 months following the determination by the President under section 4(a) and shall cease to apply thereafter only if the President determines and certifies to the Congress that reliable information indicates that the foreign person with respect to which the determination was made under section 4(a) has ceased to aid or abet Iran, any national of Iran, or any entity owned or controlled by Iran or nationals of Iran, to acquire goods and technology on the List.

(b) WAIVER.—

(1) CRITERION FOR WAIVER.—The President may waive the continued application of any sanction imposed on any foreign person pursuant to this Act, after the end of the 12-month period beginning on the date on which that sanction was imposed on that person, if the President determines and certifies to the Congress that the continued imposition of the sanction would have a serious adverse effect on United States national security.

(2) NOTIFICATION OF AND REPORT TO CONGRESS.—If the President decides to exercise the waiver authority provided in paragraph (1), the President shall so notify the Congress not less than 30 days before the waiver takes effect. Such notification shall include a report fully articulating the rationale and circumstances which led the President to exercise the waiver authority.

SEC. 9. GOODS AND TECHNOLOGY SUBJECT TO EXPORT CONTROL RESTRICTIONS.

(a) CONTROL LIST.—(1) For purposes of the determinations to be made pursuant to section 4(a), the President, in consultation with the Secretary of State and the Secretary of Energy, and the heads of other appropriate departments and agencies, shall establish and maintain the List of Petroleum and Natural Gas-Related Goods and Technology, consisting of goods or technology (including software and technical data) that the President determines would materially contribute to the extraction, refining, production, storage, or transportation of petroleum, petroleum products, or natural gas and the products thereof in or by Iran, including goods and technology that are required for the development, production, or use of facilities (including the repair, maintenance, or operation of equipment) for the petroleum and natural gas activities described in this subsection.

(2) The President, within 60 days after the date of the enactment of this Act, shall cause the List to be published in the Federal Register, together with any regulations issued with respect thereto. Thereafter, any revisions to the List or amendments to the regulations shall be published in the same manner.

(3) Not less than 30 days in advance of the publication of the List, it shall be provided to the Committee on Banking, Housing, and Urban Affairs of the Senate and to the Committee on International Relations of the House of Representatives. The President shall consult with such Committees regarding the content of the List and shall respond to questions regarding the basis for the inclusion on, or exclusion from, the List of specified goods and technologies.

(4) The President may delegate the functions of this subsection to the Secretary of Commerce.

(b) STATUTORY CONSTRUCTION.—Nothing in this section prevents the inclusion on the List of any goods or technology that may be produced in and traded internationally by persons or entities in countries other than the United States.

SEC. 10. REGULATORY AUTHORITY.

The President may issue such regulations as may be necessary to carry out this Act.

SEC. 11. REPORT REQUIRED.

Beginning 60 days after the date of the enactment of this Act, and every 90 days thereafter, the President shall transmit to the appropriate congressional committees a report describing—

(1) the nuclear and other military capabilities of Iran; and

(2) the support, if any, provided by Iran for acts of international terrorism.

SEC. 12. DEFINITIONS.

As used in this Act:

(1) ACT OF INTERNATIONAL TERRORISM.—The term “act of international terrorism” means an act—

(A) which is violent or dangerous to human life and that is a violation of the criminal laws of the United States or of any State or that would be a criminal violation if committed within the jurisdiction of the United States or any State; and

(B) which appears to be intended—

(i) to intimidate or coerce a civilian population;

(ii) to influence the policy of a government by intimidation or coercion; or

(iii) to affect the conduct of a government by assassination or kidnapping.

(2) APPROPRIATE CONGRESSIONAL COMMITTEES.—The term “appropriate congressional committees” means the Committees on Banking, Housing and Urban Affairs and Foreign Relations of the Senate and the Committee on International Relations of the House of Representatives.

(3) COMPONENT PART.—The term “component part” has the meaning given that term in section 11A(e)(1) of the Export Administration Act of 1979 (50 U.S.C. App. 2410a(e)(1)).

(4) FINANCIAL INSTITUTION.—The term “financial institution” includes—

(A) a depository institution (as defined in section 3(c)(1) of the Federal Deposit Insurance Act), including a branch or agency of a foreign bank (as defined in section 1(b)(7) of the International Banking Act of 1978);

(B) a credit union;

(C) a securities firm, including a broker or dealer;

(D) an insurance company, including an agency or underwriter;

(E) any other company that provides financial services; and

(F) any subsidiary of an entity described in any of subparagraphs (A) through (E).

(5) FINISHED PRODUCT.—The term “finished product” has the meaning given that term in section 11A(e)(2) of the Export Administration Act of 1979 (50 U.S.C. App. 2410a(e)(2)).

(6) FOREIGN PERSON.—The term “foreign person” means—

(A) an individual who is not a United States national or an alien admitted for permanent residence to the United States; or

(B) a corporation, partnership, or other nongovernmental entity which is not a United States national.

(7) GOODS AND TECHNOLOGY.—The terms “goods” and “technology” have the meaning given those terms in section 16 of the Export Administration Act of 1979 (50 U.S.C. App. 2415).

(8) IRAN.—The term “Iran” includes any agency or instrumentality of Iran.

(9) NUCLEAR EXPLOSIVE DEVICE.—The term “nuclear explosive device” means any device, whether assembled or disassembled, that is designed to produce an instantaneous release of an amount of nuclear energy from special nuclear material that is greater than the amount of energy that would be released from the detonation of one pound of trinitrotoluene (TNT).

(10) PERSON.—

(A) The term “person” means a natural person, as well as a corporation, business association, partnership, society, trust, any other nongovernmental entity, organization, or group, and any governmental entity operating as a business enterprise, and any successor of any such entity.

(B) In the case of a country where it may be impossible to identify a specific governmental entity referred to in subparagraph (A), the term “person” means—

(i) all activities of the government of the country relating to the development or production of any missile equipment or technology; and

(ii) all activities of that government affecting the development or production of aircraft, electronics, and space systems or equipment.

(11) PETROLEUM PRODUCTS.—The term “petroleum products” means crude oil, residual fuel oil, and any refined petroleum product.

(12) REQUISITE KNOWLEDGE.—The term “requisite knowledge” means situations in which a person “knows”, as “knowing” is defined in section 104 of the Foreign Corrupt Practices Act of 1977 (15 U.S.C. 78dd-2).

(13) UNITED STATES OR STATE.—The term “United States” or “State” means the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, American Samoa, Guam, the United States Virgin Islands, and any other territory or possession of the United States.

(14) UNITED STATES NATIONAL.—The term “United States national” means—

(A) a natural person who is a citizen of the United States or who owes permanent allegiance to the United States;

(B) a corporation or other legal entity which is organized under the laws of the United States, any State or territory thereof, or the District of Columbia, if natural persons who are nationals of the United States own, directly or indirectly, more than 50 percent of the outstanding capital stock or other beneficial interest in such legal entity; and

(C) any foreign subsidiary of a corporation or other legal entity described in subparagraph (B).

Gaulin on January 27, 1994. On an occasion such as this, I join with the members of the Gaulin family in wishing Steven all the best for the promising future ahead of him.

I am sure that my colleagues join me in congratulating the proud parents, Raymond and Paula, on this most joyous occasion. With their baby, their lives together will no doubt continue to be an adventure. May this blessed addition to their lives bring them much happiness in the years to come.

TRIBUTE TO THE LATE HAROLD L. SALISBURY

HON. JACK REED

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 12, 1995

Mr. REED. Mr. Speaker, I rise today to honor the memory of Harold L. Salisbury of East Greenwich, RI. Mr. Salisbury was a volunteer firefighter who lost his life in the line of duty earlier this year.

Harold was a man who truly exemplified what volunteer services in this country is all about. Mr. Salisbury dedicated 31 years to the East Greenwich Fire District. He was called upon day and night to be at accidents, to respond to alarms, and to put out fires. He represented the East Greenwich Fire Department with pride and an unending commitment to protecting people from harm.

In addition to his distinguished service as a firefighter, he worked as a service manager for the Mac Truck Co. in Rhode Island. Harold Salisbury is survived by his wife Carole V. Salisbury and three children; Tracy, Todd, and Peter.

On October 15, 1995, the USFS will hold the 14th Annual Fallen Firefighters Memorial Service in Emmitsburg, MD, to remember and honor those men and women who made the ultimate sacrifice for others. Regrettably, more than 100 career and volunteer firefighters from 35 States have lost their lives this year.

Our country is proudly served by just over 1 million firefighters operating out of more than 30,000 fire departments. All of these men and women risk their lives daily to protect the well-being of our Nation. These courageous workers are constantly on call defending their neighbors and property from harm. In fact, public fire departments responded to over 2 million fires in 1994.

Mr. Speaker, on behalf of appreciative citizens from Rhode Island and all over the country, I respectfully ask that my colleagues join me in saluting all of the firefighters like Mr. Salisbury, who have fallen in the line of duty. We owe all of these men and women a sincere debt of gratitude for making our country a safer place to live.

BIRTH OF STEVEN MICHAEL GAULIN

HON. WILLIAM O. LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 12, 1995

Mr. LIPINSKI. Mr. Speaker, it gives me great pleasure to bring to the attention of my colleagues the birth of a baby. Steven Michael Gaulin was born to Raymond and Paula

MUSIC LEGEND EDDIE HARRIS

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 12, 1995

Mr. CONYERS. Mr. Speaker, I rise today to honor one of the most outstanding jazz artists of our time, Eddie Harris. As a great musician, he has composed hits such as “Listen Here”