

Union Calendar No. 215

110TH CONGRESS
1ST SESSION

H. R. 1400

[Report No. 110–294, Part 1]

To enhance United States diplomatic efforts with respect to Iran by imposing additional economic sanctions against Iran, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MARCH 8, 2007

Mr. LANTOS (for himself, Ms. ROS-LEHTINEN, Mr. ACKERMAN, Mr. PENCE, Mr. SHERMAN, Mr. ROYCE, Mr. BERMAN, and Mr. SMITH of New Jersey) introduced the following bill; which was referred to the Committee on Foreign Affairs, and in addition to the Committees on Ways and Means, Financial Services, Oversight and Government Reform, and the Judiciary, 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

AUGUST 2, 2007

Reported from the Committee on Foreign Affairs with an amendment

[Strike out all after the enacting clause and insert the part printed in *italic*]

AUGUST 2, 2007

Referral to the Committees on Ways and Means, Financial Services, Oversight and Government Reform, and the Judiciary extended for a period ending not later than September 7, 2007

SEPTEMBER 4, 2007

Referral to the Committees on Ways and Means, Financial Services, Oversight and Government Reform, and the Judiciary extended for a period ending not later than September 21, 2007

SEPTEMBER 21, 2007

Referral to the Committees on Ways and Means, Financial Services, Oversight and Government Reform, and the Judiciary extended for a period ending not later than September 24, 2007

SEPTEMBER 24, 2007

Additional sponsors: Mr. WEXLER, Mr. CROWLEY, Ms. MATSUI, Mr. FERGUSON, Ms. WASSERMAN SCHULTZ, Mr. McCOTTER, Mr. DAVIS of Alabama, Mr. LOBIONDO, Mrs. MUSGRAVE, Mr. TOWNS, Mr. PALLONE, Mr. JEFFERSON, Mr. ROTHMAN, Mr. BOREN, Mr. ENGEL, Mr. PLATTS, Mr. HOLDEN, Mr. McCAUL of Texas, Mr. HOLT, Mr. STEARNS, Mr. TIBERI, Mrs. GILLIBRAND, Mr. KNOLLENBERG, Mr. KLINE of Minnesota, Mr. BISHOP of New York, Mr. COHEN, Mr. KIRK, Mr. McHUGH, Mr. LINDER, Mr. LEWIS of Georgia, Mr. FATTAH, Ms. JACKSON-LEE of Texas, Mr. MITCHELL, Mr. WELLER of Illinois, Mr. PERLMUTTER, Mr. McNULTY, Mr. BLUNT, Mr. GENE GREEN of Texas, Mr. LINCOLN DIAZ-BALART of Florida, Mrs. MALONEY of New York, Ms. SCHWARTZ, Mr. CARNEY, Mr. BONNER, Mr. McINTYRE, Mr. DOYLE, Ms. SCHAKOWSKY, Mrs. DRAKE, Mr. KLEIN of Florida, Ms. HARMAN, Mr. CUELLAR, Mr. GORDON of Tennessee, Mr. GRAVES, Mr. SAXTON, Mrs. BONO, Mr. ANDREWS, Mr. WOLF, Mr. BERRY, Mr. COLE of Oklahoma, Mr. MATHESON, Mrs. NAPOLITANO, Mr. SENSENBRENNER, Mr. DENT, Mr. PORTER, Mr. MAHONEY of Florida, Ms. PRYCE of Ohio, Mrs. McMORRIS RODGERS, Mr. LAMBORN, Mr. HIGGINS, Mr. MACK, Ms. ESHOO, Mr. ALLEN, Mr. WESTMORELAND, Mr. BOSWELL, Mr. CLAY, Mr. CALVERT, Mr. HUNTER, Mr. COSTA, Mr. BILBRAY, Mr. WELCH of Vermont, Mr. SCOTT of Georgia, Mr. CANTOR, Mr. CHABOT, Ms. HERSETH SANDLIN, Mr. SESTAK, Mr. WEINER, Mr. CARNAHAN, Mr. RENZI, Mr. REICHERT, Mr. JACKSON of Illinois, Mr. BURTON of Indiana, Mr. SHADEGG, Mr. WALBERG, Mr. WILSON of South Carolina, Mr. SIRES, Mr. SHIMKUS, Mr. WAMP, Mr. HASTINGS of Florida, Mr. EHLERS, Mrs. CUBIN, Mr. SKELTON, Mr. SESSIONS, Mr. UDALL of Colorado, Mr. DAVIS of Kentucky, Ms. BERKLEY, Mr. GALLEGLY, Mr. LATHAM, Ms. DEGETTE, Mr. FEENEY, Mr. NUNES, Mr. SAM JOHNSON of Texas, Mr. MELANCON, Mr. SHAYS, Mr. BACA, Ms. ZOE LOFGREN of California, Mr. McHENRY, Mr. CHANDLER, Mr. NEUGEBAUER, Ms. GIFFORDS, Mr. ROGERS of Alabama, Mr. PATRICK MURPHY of Pennsylvania, Mr. SULLIVAN, Mr. MEEK of Florida, Mr. SIMPSON, Mr. THOMPSON of Mississippi, Mr. BILIRAKIS, Mr. ROHRABACHER, Ms. HOOLEY, Mr. WAXMAN, Mr. SALI, Mr. KING of Iowa, Mrs. BLACKBURN, Mr. FRANKS of Arizona, Mr. YARMUTH, Mr. JOHNSON of Georgia, Mr. BARROW, Mr. GERLACH, Mr. MURPHY of Connecticut, Ms. FOX, Mr. LEWIS of Kentucky, Mr. WELDON of Florida, Ms. BEAN, Ms. DELAURO, Mr. GARRETT of New Jersey, Mr. TERRY, Mr. WALDEN of Oregon, Mr. CAMPBELL of California, Mr. RUSH, Mr. GINGREY, Mr. KILDEE, Mr. FORBES, Mrs. JONES of Ohio, Ms. LINDA T. SÁNCHEZ of California, Mr. ISRAEL, Mr. LUCAS, Mr. BISHOP of Georgia, Mr. HOYER, Mr. GONZALEZ, Mr. AL GREEN of Texas, Mr. WALSH of New York, Mr. RYAN of Wisconsin, Mrs. LOWEY, Mr. LATOURETTE, Mr. SARBANES, Mr. LINCOLN DAVIS of Tennessee, Mr. BARTLETT of Maryland, Mr. BISHOP of Utah, Mrs. BACHMANN, Mr. WYNN, Mr. REHBERG, Mr. LAMPSON, Mr. COOPER, Mr. FOSSELLA, Mr. CAMP of Michigan, Mr. WILSON of Ohio, Mr. COURTNEY, Mr. JINDAL, Mr. POE, Mr. MOORE of Kansas, Mr. VAN HOLLEN, Mr. RAMSTAD, Mr. SALAZAR, Mr. SMITH of Nebraska, Ms. WATSON, Mr. ALEXANDER, Mr. RANGEL, Mr. ARCURI, Mr. RADANOVICH, Mrs. MCCARTHY of New York, Ms. GINNY BROWN-WAITE of Florida,

Mr. NADLER, Mr. BAKER, Mr. HASTINGS of Washington, Mr. HARE, Ms. FALLIN, Mr. EMANUEL, Mr. MICHAUD, Mr. ENGLISH of Pennsylvania, Mr. HELLER, Mr. FARR, Mr. HENSARLING, Mr. VISCLOSKEY, Mr. BOOZMAN, Mr. MARIO DIAZ-BALART of Florida, Mr. KING of New York, Mr. ELLSWORTH, Mr. SMITH of Texas, Mr. MARCHANT, Ms. ROYBAL-ALLARD, Mr. PRICE of Georgia, Mr. BARRETT of South Carolina, Mr. CULBERSON, Mr. DONNELLY, Mr. CONAWAY, Mr. JORDAN of Ohio, Ms. CASTOR, Mr. BOYD of Florida, Mr. BUCHANAN, Mr. FILNER, Mr. MILLER of North Carolina, Ms. SUTTON, Mr. CARTER, Mr. KIND, Mr. BROWN of South Carolina, Mrs. DAVIS of California, Mr. PASCRELL, Mr. PUTNAM, Mr. YOUNG of Alaska, Mr. TIAHRT, Mr. DOOLITTLE, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. LANGEVIN, Mr. LEVIN, Mr. RODRIGUEZ, Mr. HAYES, Mr. JOHNSON of Illinois, Mr. CARDOZA, Mr. HODES, Mrs. MILLER of Michigan, Mr. BRALEY of Iowa, Mr. SOUDER, Mr. LIPINSKI, Mr. GOHMERT, Mr. RUPPERSBERGER, Mr. KAGEN, Ms. HIRONO, Mr. ROSKAM, Mr. SPACE, Mr. PETERSON of Pennsylvania, Mr. ROGERS of Michigan, Mr. LARSEN of Washington, Mr. ETHERIDGE, Mr. ROSS, Mr. DINGELL, Mr. BURGESS, Mr. CLEAVER, Mr. UPTON, Mr. MARSHALL, Mr. COBLE, Mr. KENNEDY, Ms. GRANGER, Mr. BAIRD, Mrs. TAUSCHER, Ms. CORRINE BROWN of Florida, Mr. DAVID DAVIS of Tennessee, Mr. DANIEL E. LUNGREN of California, Mr. KUHL of New York, Mr. BRADY of Pennsylvania, Mr. THOMPSON of California, Mr. HALL of New York, Mr. TIM MURPHY of Pennsylvania, Mrs. CAPITO, Ms. WOOLSEY, Mrs. EMERSON, Mr. TURNER, Mr. MCCARTHY of California, Mr. HILL, Mr. INSLEE, Mr. DAVIS of Illinois, Mr. SHULER, Mrs. WILSON of New Mexico, Mr. TOM DAVIS of Virginia, Mr. ADERHOLT, Mr. FORTENBERRY, Ms. LORETTA SANCHEZ of California, Mr. SCHIFF, Mr. STUPAK, Mr. CRENSHAW, Mr. MCKEON, Mr. MICA, Mr. KELLER of Florida, Mr. CUMMINGS, Mr. MILLER of Florida, Mrs. MYRICK, Mr. GUTIERREZ, Mr. HOEKSTRA, Mr. SMITH of Washington, Mr. SCOTT of Virginia, Mr. ALTMIRE, Mr. HASTERT, Mr. LOEBSACK, Mr. WALZ of Minnesota, Mr. REYNOLDS, Mr. FORTUÑO, Mr. FRELINGHUYSEN, Mr. WICKER, Mr. MCNERNEY, Mr. MARKEY, Mr. DICKS, Mr. YOUNG of Florida, Mr. PAYNE, Mr. PICKERING, Mr. PITTS, Mr. MORAN of Virginia, Ms. SHEAPORTER, Mr. GOODLATTE, Mr. LEWIS of California, Mr. GARY G. MILLER of California, and Mr. FRANK of Massachusetts

SEPTEMBER 24, 2007

Committees on Ways and Means, Financial Services, Oversight and Government Reform, and the Judiciary discharged; committed to the Committee of the Whole House on the State of the Union and ordered to be printed

[For text of introduced bill, see copy of bill as introduced on March 8, 2007]

A BILL

To enhance United States diplomatic efforts with respect

to Iran by imposing additional economic sanctions against 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 AND TABLE OF CONTENTS.**

4 (a) *SHORT TITLE.*—*This Act may be cited as the*
 5 *“Iran Counter-Proliferation Act of 2007”.*

6 (b) *TABLE OF CONTENTS.*—*The table of contents for*
 7 *this Act is as follows:*

Sec. 1. Short title and table of contents.

Sec. 2. United States policy toward Iran.

**TITLE I—SUPPORT FOR DIPLOMATIC EFFORTS RELATING TO
 PREVENTING IRAN FROM ACQUIRING NUCLEAR WEAPONS**

Sec. 101. Support for international diplomatic efforts.

Sec. 102. Peaceful efforts by the United States.

TITLE II—ADDITIONAL BILATERAL SANCTIONS AGAINST IRAN

Sec. 201. Application to subsidiaries.

Sec. 202. Additional import sanctions against Iran.

Sec. 203. Additional export sanctions against Iran.

TITLE III—AMENDMENTS TO THE IRAN SANCTIONS ACT OF 1996

Sec. 301. Multilateral regime.

Sec. 302. Mandatory sanctions.

Sec. 303. Authority to impose sanctions on principal executive officers.

Sec. 304. United States efforts to prevent investment.

Sec. 305. Clarification and expansion of definitions.

Sec. 306. Removal of waiver authority.

TITLE IV—ADDITIONAL MEASURES

Sec. 401. Additions to terrorism and other lists.

Sec. 402. Increased capacity for efforts to combat unlawful or terrorist financing.

Sec. 403. Exchange programs with the people of Iran.

Sec. 404. Reducing contributions to the World Bank.

*Sec. 405. Restrictions on nuclear cooperation with countries assisting the nuclear
 program of Iran.*

*Sec. 406. Elimination of certain tax incentives for oil companies investing in
 Iran.*

TITLE V—MISCELLANEOUS PROVISIONS

Sec. 501. Termination.

1 **SEC. 2. UNITED STATES POLICY TOWARD IRAN.**

2 (a) *FINDINGS.*—Congress finds the following:

3 (1) *The prospect of the Islamic Republic of Iran*
4 *achieving nuclear arms represents a grave threat to*
5 *the United States and its allies in the Middle East,*
6 *Europe, and globally.*

7 (2) *The nature of this threat is manifold, rang-*
8 *ing from the vastly enhanced political influence ex-*
9 *tremist Iran would wield in its region, including the*
10 *ability to intimidate its neighbors, to, at its most*
11 *nightmarish, the prospect that Iran would attack its*
12 *neighbors and others with nuclear arms. This concern*
13 *is illustrated by the statement of Hashemi*
14 *Rafsanjani, former president of Iran and currently a*
15 *prominent member of two of Iran’s most important*
16 *decisionmaking bodies, of December 14, 2001, when he*
17 *said that it “is not irrational to contemplate” the use*
18 *of nuclear weapons.*

19 (3) *The theological nature of the Iranian regime*
20 *creates a special urgency in addressing Iran’s efforts*
21 *to acquire nuclear weapons.*

22 (4) *Iranian regime leaders have persistently de-*
23 *nieed Israel’s right to exist. Current President*
24 *Mahmoud Ahmadinejad has called for Israel to be*
25 *“wiped off the map” and the Government of Iran has*

1 *displayed inflammatory symbols that express similar*
2 *intent.*

3 (5) *The nature of the Iranian threat makes it*
4 *critical that the United States and its allies do every-*
5 *thing possible—diplomatically, politically, and eco-*
6 *nomically—to prevent Iran from acquiring nuclear-*
7 *arms capability and persuade the Iranian regime to*
8 *halt its quest for nuclear arms.*

9 (b) *SENSE OF CONGRESS.—It is the sense of the Con-*
10 *gress that—*

11 (1) *Iranian President Ahmadinejad’s persistent*
12 *denials of the Holocaust and his repeated assertions*
13 *that Israel should be “wiped off the map” may con-*
14 *stitute a violation of the Convention on the Preven-*
15 *tion and Punishment of the Crime of Genocide and*
16 *should be brought before an appropriate international*
17 *tribunal for the purpose of declaring Iran in breach*
18 *of the Genocide Convention;*

19 (2) *the United States should increase use of its*
20 *important role in the international financial sector to*
21 *isolate Iran;*

22 (3) *Iran should be barred from entering the*
23 *World Trade Organization (WTO) until all issues re-*
24 *lated to its nuclear program are resolved;*

1 (4) *all future free trade agreements involving*
2 *Iran should be conditioned on the requirement that*
3 *the parties to such agreements pledge not to invest*
4 *and not to allow companies based in its territory or*
5 *controlled by its citizens to invest in Iran's energy*
6 *sector or otherwise to make significant investment in*
7 *Iran;*

8 (5) *United Nations Security Council Resolution*
9 *1737 (December 23, 2006), which was passed unani-*
10 *mously and mandates an immediate and uncondi-*
11 *tional suspension of Iran's nuclear enrichment pro-*
12 *gram, represents a critical gain in the world-wide*
13 *campaign to prevent Iran's acquisition of nuclear*
14 *arms and should be fully respected by all nations;*

15 (6) *the United Nations Security Council should*
16 *take further measures beyond Resolution 1737 to*
17 *tighten sanctions on Iran, including preventing new*
18 *investment in Iran's energy sector, as long as Iran*
19 *fails to comply with the international community's*
20 *demand to halt its nuclear enrichment campaign;*

21 (7) *the United States should encourage foreign*
22 *governments to direct state-owned entities to cease all*
23 *investment in Iran's energy sector and all exports of*
24 *refined petroleum products to Iran and to persuade,*
25 *and, where possible, require private entities based in*

1 *their territories to cease all investment in Iran’s en-*
2 *ergy sector and all exports of refined petroleum prod-*
3 *ucts to Iran;*

4 (8) *moderate Arab states have a vital and per-*
5 *haps existential interest in preventing Iran from ac-*
6 *quiring nuclear arms, and therefore such states, par-*
7 *ticularly those with large oil deposits, should use their*
8 *economic leverage to dissuade other nations, including*
9 *the Russian Federation and the People’s Republic of*
10 *China, from assisting Iran’s nuclear program directly*
11 *or indirectly and to persuade other nations, including*
12 *Russia and China, to be more forthcoming in sup-*
13 *porting United Nations Security Council efforts to*
14 *halt Iran’s nuclear program;*

15 (9) *the United States should take all possible*
16 *measures to discourage and, if possible, prevent for-*
17 *ign banks from providing export credits to foreign*
18 *entities seeking to invest in the Iranian energy sector;*

19 (10) *the United States should oppose any further*
20 *activity by the International Bank for Reconstruction*
21 *and Development with respect to Iran, or the adop-*
22 *tion of a new Country Assistance Strategy for Iran,*
23 *including by seeking the cooperation of other coun-*
24 *tries;*

1 (11) *the United States should extend its program*
2 *of discouraging foreign banks from accepting Iranian*
3 *state banks as clients;*

4 (12) *the United States should prohibit all Ira-*
5 *nian state banks from using the United States bank-*
6 *ing system;*

7 (13) *United States Federal pension plans should*
8 *divest themselves of all non-United States companies*
9 *investing more than \$20,000,000 in Iran's energy sec-*
10 *tor;*

11 (14) *State and local government pension plans*
12 *should divest themselves of all non-United States com-*
13 *panies investing more than \$20,000,000 in Iran's en-*
14 *ergy sector;*

15 (15) *the United States should designate the Is-*
16 *lamic Revolutionary Guards Corps, which purveys*
17 *terrorism throughout the Middle East and plays an*
18 *important role in the Iranian economy, as a foreign*
19 *terrorist organization under section 219 of the Immi-*
20 *gration and Nationality Act, place the Islamic Revo-*
21 *lutionary Guards Corps on the list of specially des-*
22 *ignated global terrorists, and place the Islamic Revo-*
23 *lutionary Guards Corps on the list of weapons of*
24 *mass destruction proliferators and their supporters;*

1 (16) *United States concerns regarding Iran are*
2 *strictly the result of actions of the Government of*
3 *Iran; and*

4 (17) *the American people have feelings of friend-*
5 *ship for the Iranian people, regret that developments*
6 *of recent decades have created impediments to that*
7 *friendship, and hold the Iranian people, their culture,*
8 *and their ancient and rich history in the highest es-*
9 *teem.*

10 **TITLE I—SUPPORT FOR DIPLO-**
11 **MATIC EFFORTS RELATING**
12 **TO PREVENTING IRAN FROM**
13 **ACQUIRING NUCLEAR WEAP-**
14 **ONS**

15 **SEC. 101. SUPPORT FOR INTERNATIONAL DIPLOMATIC EF-**
16 **FORTS.**

17 *It is the sense of the Congress that—*

18 (1) *the United States should use diplomatic and*
19 *economic means to resolve the Iranian nuclear prob-*
20 *lem;*

21 (2) *the United States should continue to support*
22 *efforts in the International Atomic Energy Agency*
23 *and the United Nations Security Council to bring*
24 *about an end to Iran’s uranium enrichment program*
25 *and its nuclear weapons program; and*

1 (3)(A) *United Nations Security Council Resolu-*
2 *tion 1737 was a useful first step toward pressing Iran*
3 *to end its nuclear weapons program; and*

4 (B) *in light of Iran’s continued defiance of the*
5 *international community, the United Nations Secu-*
6 *rity Council should adopt additional measures*
7 *against Iran, including measures to prohibit invest-*
8 *ments in Iran’s energy sector.*

9 **SEC. 102. PEACEFUL EFFORTS BY THE UNITED STATES.**

10 *Nothing in this Act shall be construed as authorizing*
11 *the use of force or the use of the United States Armed Forces*
12 *against Iran.*

13 **TITLE II—ADDITIONAL BILAT-**
14 **ERAL SANCTIONS AGAINST**
15 **IRAN**

16 **SEC. 201. APPLICATION TO SUBSIDIARIES.**

17 (a) *IN GENERAL.*—*Except as provided in subsection*
18 *(b), in any case in which an entity engages in an act out-*
19 *side the United States which, if committed in the United*
20 *States or by a United States person, would violate Execu-*
21 *tive Order No. 12959 of May 6, 1995, Executive Order No.*
22 *13059 of August 19, 1997, or any other prohibition on*
23 *transactions with respect to Iran that is imposed under the*
24 *International Emergency Economic Powers Act (50 U.S.C.*
25 *1701 et seq.) and if that entity was created or availed of*

1 *for the purpose of engaging in such an act, the parent com-*
2 *pany of that entity shall be subject to the penalties for such*
3 *violation to the same extent as if the parent company had*
4 *engaged in that act.*

5 **(b) EXCEPTION.**—*Subsection (a) shall not apply to*
6 *any act carried out under a contract or other obligation*
7 *of any entity if such contract or obligation was entered into*
8 *before the acquisition of such entity by the parent company*
9 *unless such parent company acquired such entity knowing*
10 *or having reason to know that such contract or other obliga-*
11 *tion existed or such contract or other obligation is expanded*
12 *to cover additional activities beyond the terms of such con-*
13 *tract or other obligation as it existed at the time of such*
14 *acquisition.*

15 **(c) DEFINITIONS.**—*In this section—*

16 **(1)** *the term “entity” means a partnership, asso-*
17 *ciation, trust, joint venture, corporation, or other or-*
18 *ganization;*

19 **(2)** *an entity is a “parent company” of another*
20 *entity if it owns, directly or indirectly, more than 50*
21 *percent of the equity interest in that other entity and*
22 *is a United States person; and*

23 **(3)** *the term “United States person” means any*
24 *United States citizen, any alien lawfully admitted for*
25 *permanent residence to the United States, any entity*

1 *organized under the laws of the United States, or any*
2 *person in the United States.*

3 **SEC. 202. ADDITIONAL IMPORT SANCTIONS AGAINST IRAN.**

4 *Effective 120 days after the date of the enactment of*
5 *this Act—*

6 (1) *goods of Iranian origin that are otherwise*
7 *authorized to be imported under section 560.534 of*
8 *title 31, Code of Federal Regulations, as in effect on*
9 *March 5, 2007, may not be imported into the United*
10 *States; and*

11 (2) *activities otherwise authorized by section*
12 *560.535 of title 31, Code of Federal Regulations, as*
13 *in effect on March 5, 2007, are no longer authorized.*

14 **SEC. 203. ADDITIONAL EXPORT SANCTIONS AGAINST IRAN.**

15 *Effective on the date of the enactment of this Act—*

16 (1) *licenses to export or reexport goods, services,*
17 *or technology relating to civil aviation that are other-*
18 *wise authorized by section 560.528 of title 31, Code*
19 *of Federal Regulations, as in effect on March 5, 2007,*
20 *may not be issued, and any such license issued before*
21 *such date of enactment is no longer valid; and*

22 (2) *goods, services, or technology described in*
23 *paragraph (1) may not be exported or reexported.*

1 **TITLE III—AMENDMENTS TO THE**
2 **IRAN SANCTIONS ACT OF 1996**

3 **SEC. 301. MULTILATERAL REGIME.**

4 *Section 4(b) of the Iran Sanctions Act of 1996 (50*
5 *U.S.C. 1701 note) is amended to read as follows:*

6 *“(b) REPORTS TO CONGRESS.—Not later than 6*
7 *months after the date of the enactment of the Iran Counter-*
8 *Proliferation Act of 2007 and every six months thereafter,*
9 *the President shall transmit to the appropriate congres-*
10 *sional committees a report regarding specific diplomatic ef-*
11 *forts undertaken pursuant to subsection (a), the results of*
12 *those efforts, and a description of proposed diplomatic ef-*
13 *forts pursuant to such subsection. Each report shall in-*
14 *clude—*

15 *“(1) a list of the countries that have agreed to*
16 *undertake measures to further the objectives of section*
17 *3 with respect to Iran;*

18 *“(2) a description of those measures, including—*

19 *“(A) government actions with respect to*
20 *public or private entities (or their subsidiaries)*
21 *located in their territories, that are engaged in*
22 *Iran;*

23 *“(B) any decisions by the governments of*
24 *these countries to rescind or continue the provi-*

1 “(g) *AUTHORITY TO IMPOSE SANCTIONS ON PRIN-*
2 *CIPAL EXECUTIVE OFFICERS.*—

3 “(1) *SANCTIONS UNDER SECTION 6.*—*In addition*
4 *to the sanctions imposed under subsection (a), the*
5 *President may impose any of the sanctions under sec-*
6 *tion 6 on the principal executive officer or officers of*
7 *any sanctioned person, or on persons performing*
8 *similar functions as such officer or officers. The Presi-*
9 *dent shall include on the list published under sub-*
10 *section (d) the name of any person on whom sanc-*
11 *tions are imposed under this paragraph.*

12 “(2) *ADDITIONAL SANCTIONS.*—*In addition to*
13 *the sanctions imposed under paragraph (1), the Presi-*
14 *dent may block the property of any person described*
15 *in paragraph (1), and prohibit transactions in such*
16 *property, to the same extent as the property of a for-*
17 *ign person determined to have committed acts of ter-*
18 *rorism for purposes of Executive Order 13224 of Sep-*
19 *tember 23, 2001 (50 U.S.C. 1701 note).”.*

20 **SEC. 304. UNITED STATES EFFORTS TO PREVENT INVEST-**
21 **MENT.**

22 *Section 5 of the Iran Sanctions Act of 1996 is amended*
23 *by adding the following new subsection at the end:*

24 “(h) *UNITED STATES EFFORTS TO ADDRESS*
25 *PLANNED INVESTMENT.*—

1 “(1) *REPORTS ON INVESTMENT ACTIVITY.*—Not
2 *later than January 30, 2008, and every 6 months*
3 *thereafter, the President shall transmit to the Com-*
4 *mittee on Foreign Affairs of the House of Representa-*
5 *tives and the Committee on Foreign Relations of the*
6 *Senate a report on investment and pre-investment ac-*
7 *tivity, by any person or entity, that could contribute*
8 *to the enhancement of Iran’s ability to develop petro-*
9 *leum resources in Iran. For each such activity, the*
10 *President shall provide a description of the activity,*
11 *any information regarding when actual investment*
12 *may commence, and what steps the United States has*
13 *taken to respond to such activity.*

14 “(2) *DEFINITION.*—*In this subsection—*

15 “(A) *the term ‘investment’ includes the ex-*
16 *tension by a financial institution of credit or*
17 *other financing to a person for that person’s in-*
18 *vestment; and*

19 “(B) *the term ‘pre-investment activity’*
20 *means any activity indicating an intent to make*
21 *an investment, including a memorandum of un-*
22 *derstanding among parties indicating such an*
23 *intent.”*

1 **SEC. 305. CLARIFICATION AND EXPANSION OF DEFINI-**
2 **TIONS.**

3 (a) *PERSON.*—Section 14(13)(B) of the Iran Sanctions
4 Act of 1996 (50 U.S.C. 1701 note) is amended to read as
5 follows:

6 “(B)(i) a corporation, business association,
7 partnership, society, trust, financial institution,
8 insurer, underwriter, guarantor, and any other
9 business organization;

10 “(ii) any foreign subsidiary of any entity
11 described in clause (i); and

12 “(iii) any nongovernmental entity oper-
13 ating as a business enterprise, such as an export
14 credit agency; and”.

15 (b) *PETROLEUM RESOURCES.*—Section 14(14) of the
16 Iran Sanctions Act of 1996 (50 U.S.C. 1701 note) is amend-
17 ed by inserting after “petroleum” the second place it ap-
18 pears the following: “, petroleum refining capacity, lique-
19 fied natural gas, the sale of oil tankers or liquefied natural
20 gas tankers,”.

21 **SEC. 306. REMOVAL OF WAIVER AUTHORITY.**

22 (a) *SIX-MONTH WAIVER AUTHORITY.*—Section 4 of the
23 Iran Sanctions Act of 1996 (50 U.S.C. 1701 note) is amend-
24 ed—

1 (1) *in subsection (d)(1), by striking “except those*
2 *with respect to which the President has exercised the*
3 *waiver authority of subsection (c)”;*

4 (2) *by striking subsection (c); and*

5 (3) *by redesignating subsections (d), (e), and (f)*
6 *as subsections (c), (d), and (e), respectively.*

7 (b) *GENERAL WAIVER AUTHORITY.—Section 9 of the*
8 *Iran Sanctions Act of 1996 (50 U.S.C. 1701 note) is amend-*
9 *ed by striking subsection (c).*

10 (c) *CONSTRUCTION.—The amendments made by this*
11 *section shall not be construed to affect any exercise of the*
12 *authority of section 4(c) or section 9(c) of the Iran Sanc-*
13 *tions Act of 1996 as in effect on the day before the date*
14 *of the enactment of this Act.*

15 **TITLE IV—ADDITIONAL**
16 **MEASURES**

17 **SEC. 401. ADDITIONS TO TERRORISM AND OTHER LISTS.**

18 (a) *DETERMINATIONS AND REPORT.—Not later than*
19 *120 days after the date of the enactment of this Act, the*
20 *President shall—*

21 (1) *determine whether the Islamic Revolutionary*
22 *Guards Corps should be—*

23 (A) *designated as a foreign terrorist organi-*
24 *zation under section 219 of the Immigration and*
25 *Nationality Act (8 U.S.C. 1189);*

1 (B) placed on the list of specially designated
2 global terrorists; and

3 (C) placed on the list of weapons of mass
4 destruction proliferators and their supporters;
5 and

6 (2) report the determinations under paragraph
7 (1) to the Committee on Foreign Affairs of the House
8 of Representatives and the Committee on Foreign Re-
9 lations of the Senate, including, if the President de-
10 termines that such Corps should not be so designated
11 or placed on either such list, the justification for the
12 President's determination.

13 (b) *EXTENSION OF AUTHORITY.*—The President may
14 block all property and interests in property of the following
15 persons, to the same extent as property and interests in
16 property of a foreign person determined to have committed
17 acts of terrorism for purposes of Executive Order 13224 of
18 September 21, 2001 (50 U.S.C. 1701 note) may be blocked:

19 (1) Persons who assist or provide financial, ma-
20 terial, or technological support for, or financial or
21 other services to or in support of, the International
22 Revolutionary Guards Corps (IRGC) or entities
23 owned or effectively controlled by the IRGC.

24 (2) Persons otherwise associated with the IRGC
25 or entities referred to in paragraph (1).

1 (c) *DEFINITIONS.*—*In this section—*

2 (1) *the term “specially designated global ter-*
3 *rorist” means any person included on the Annex to*
4 *Executive Order 13224, of September 23, 2001, and*
5 *any other person identified under section 1 of that*
6 *Executive order whose property and interests in prop-*
7 *erty are blocked by that section; and*

8 (2) *the term “weapons of mass destruction*
9 *proliferators and their supporters” means any person*
10 *included on the Annex to Executive Order 13382, of*
11 *June 28, 2005, and any other person identified under*
12 *section 1 of that Executive order whose property and*
13 *interests in property are blocked by that section.*

14 **SEC. 402. INCREASED CAPACITY FOR EFFORTS TO COMBAT**
15 **UNLAWFUL OR TERRORIST FINANCING.**

16 (a) *FINDINGS.*—*The work of the Office of Terrorism*
17 *and Financial Intelligence of the Department of Treasury,*
18 *which includes the Office of Foreign Assets Control and the*
19 *Financial Crimes Enforcement Center, is critical to ensur-*
20 *ing that the international financial system is not used for*
21 *purposes of supporting terrorism and developing weapons*
22 *of mass destruction.*

23 (b) *AUTHORIZATION.*—*There is authorized for the Sec-*
24 *retary of the Treasury \$59,466,000 for fiscal year 2008 and*
25 *such sums as may be necessary for each of the fiscal years*

1 *2009 and 2010 for the Office of Terrorism and Financial*
2 *Intelligence.*

3 (c) *AUTHORIZATION AMENDMENT.*—Section 310(d)(1)
4 *of title 31, United States Code, is amended by striking*
5 *“such sums as may be necessary for fiscal years 2002, 2003,*
6 *2004, and 2005” and inserting “\$85,844,000 for fiscal year*
7 *2008 and such sums as may be necessary for each of the*
8 *fiscal years 2009 and 2010”.*

9 **SEC. 403. EXCHANGE PROGRAMS WITH THE PEOPLE OF**
10 **IRAN.**

11 (a) *SENSE OF CONGRESS.*—*It is the sense of the Con-*
12 *gress that the United States should seek to enhance its*
13 *friendship with the people of Iran, particularly by identi-*
14 *fying young people of Iran to come to the United States*
15 *under United States exchange programs.*

16 (b) *EXCHANGE PROGRAMS AUTHORIZED.*—*The Presi-*
17 *dent is authorized to carry out exchange programs with the*
18 *people of Iran, particularly the young people of Iran. Such*
19 *programs shall be carried out to the extent practicable in*
20 *a manner consistent with the eligibility for assistance re-*
21 *quirements specified in section 302(b) of the Iran Freedom*
22 *Support Act (Public Law 109–293).*

23 (c) *AUTHORIZATION.*—*Of the amounts available to the*
24 *Department of State for “Educational and Cultural Ex-*
25 *changes” to carry out the Mutual Educational and Cultural*

1 *Exchange Act of 1961, there is authorized to be appro-*
2 *priated to the President to carry out this section the sum*
3 *of \$10,000,000 for fiscal year 2008.*

4 **SEC. 404. REDUCING CONTRIBUTIONS TO THE WORLD**
5 **BANK.**

6 *The President of the United States shall reduce the*
7 *total amount otherwise payable on behalf of the United*
8 *States to the International Bank for Reconstruction and*
9 *Development for each fiscal year by the percentage rep-*
10 *resented by—*

11 *(1) the total of the amounts provided by the*
12 *Bank to entities in Iran, or for projects and activities*
13 *in Iran, in the then preceding fiscal year; divided by*

14 *(2) the total of the amounts provided by the*
15 *Bank to all entities, or for all projects and activities,*
16 *in the then preceding fiscal year.*

17 **SEC. 405. RESTRICTIONS ON NUCLEAR COOPERATION WITH**
18 **COUNTRIES ASSISTING THE NUCLEAR PRO-**
19 **GRAM OF IRAN.**

20 *(a) IN GENERAL.—Notwithstanding any other provi-*
21 *sion of law or any international agreement, no agreement*
22 *for cooperation between the United States and the govern-*
23 *ment of any country that is assisting the nuclear program*
24 *of Iran or transferring advanced conventional weapons or*
25 *missiles to Iran may be submitted to the President or to*

1 *Congress pursuant to section 123 of the Atomic Energy Act*
2 *of 1954 (42 U.S.C. 2153), no such agreement may enter*
3 *into force with such country, no license may be issued for*
4 *export directly or indirectly to such country of any nuclear*
5 *material, facilities, components, or other goods, services, or*
6 *technology that would be subject to such agreement, and no*
7 *approval may be given for the transfer or retransfer directly*
8 *or indirectly to such country of any nuclear material, fa-*
9 *cilities, components, or other goods, services, or technology*
10 *that would be subject to such agreement, until the President*
11 *determines and reports to the Committee on Foreign Rela-*
12 *tions of the Senate and the Committee on Foreign Affairs*
13 *of the House of Representatives that—*

14 (1) *Iran has ceased its efforts to design, develop,*
15 *or acquire a nuclear explosive device or related mate-*
16 *rials or technology; or*

17 (2) *the government of the country that is assist-*
18 *ing the nuclear program of Iran or transferring ad-*
19 *vanced conventional weapons or missiles to Iran—*

20 (A) *has suspended all nuclear assistance to*
21 *Iran and all transfers of advanced conventional*
22 *weapons and missiles to Iran; and*

23 (B) *is committed to maintaining that sus-*
24 *pension until Iran has implemented measures*

1 *that would permit the President to make the de-*
2 *termination described in paragraph (1).*

3 **(b) CONSTRUCTION.**—*The restrictions in subsection*
4 *(a)—*

5 *(1) shall apply in addition to all other applica-*
6 *ble procedures, requirements, and restrictions con-*
7 *tained in the Atomic Energy Act of 1954 and other*
8 *laws; and*

9 *(2) shall not be construed as affecting the valid-*
10 *ity of agreements for cooperation that are in effect on*
11 *the date of the enactment of this Act.*

12 **(c) DEFINITIONS.**—*In this section:*

13 **(1) AGREEMENT FOR COOPERATION.**—*The term*
14 *“agreement for cooperation” has the meaning given*
15 *that term in section 11 b. of the Atomic Energy Act*
16 *of 1954 (42 U.S.C. 2014(b)).*

17 **(2) ASSISTING THE NUCLEAR PROGRAM OF**
18 **IRAN.**—*The term “assisting the nuclear program of*
19 *Iran” means the intentional transfer to Iran by a*
20 *government, or by a person subject to the jurisdiction*
21 *of a government with the knowledge and acquiescence*
22 *of that government, of goods, services, or technology*
23 *listed on the Nuclear Suppliers Group Guidelines for*
24 *the Export of Nuclear Material, Equipment and Tech-*
25 *nology (published by the International Atomic Energy*

1 *Agency as Information Circular INFCIRC/254/Rev.*
2 *3/Part 1, and subsequent revisions), or the Nuclear*
3 *Suppliers Group Guidelines for Transfers of Nuclear-*
4 *Related Dual-Use Equipment, Material, and Related*
5 *Technology (published by the International Atomic*
6 *Energy Agency as Information Circular INFCIR/254/*
7 *Rev. 3/Part 2, and subsequent revisions).*

8 (3) *COUNTRY THAT IS ASSISTING THE NUCLEAR*
9 *PROGRAM OF IRAN OR TRANSFERRING ADVANCED CON-*
10 *VENTIONAL WEAPONS OR MISSILES TO IRAN.—The*
11 *term “country that is assisting the nuclear program*
12 *of Iran or transferring advanced conventional weap-*
13 *ons or missiles to Iran” means—*

14 (A) *the Russia Federation; and*

15 (B) *any other country determined by the*
16 *President to be assisting the nuclear program of*
17 *Iran or transferring advanced conventional*
18 *weapons or missiles to Iran.*

19 (4) *TRANSFERRING ADVANCED CONVENTIONAL*
20 *WEAPONS OR MISSILES TO IRAN.—The term “transfer-*
21 *ring advanced conventional weapons or missiles to*
22 *Iran” means the intentional transfer to Iran by a*
23 *government, or by a person subject to the jurisdiction*
24 *of a government with the knowledge and acquiescence*

1 of that government, of goods, services, or technology
2 listed on—

3 (A) the Wassenaar Arrangement list of
4 Dual Use Goods and Technologies and Munitions
5 list of July 12, 1996, and subsequent revisions;
6 or

7 (B) the Missile Technology Control Regime
8 Equipment and Technology Annex of June 11,
9 1996, and subsequent revisions.

10 **SEC. 406. ELIMINATION OF CERTAIN TAX INCENTIVES FOR**
11 **OIL COMPANIES INVESTING IN IRAN.**

12 (a) *IN GENERAL.*—Subsection (h) of section 167 of the
13 Internal Revenue Code of 1986 (relating to amortization
14 of geological and geophysical expenditures) is amended by
15 adding at the end the following new paragraph:

16 “(6) *DENIAL WHEN IRAN SANCTIONS IN EF-*
17 *FECT.*—

18 “(A) *IN GENERAL.*—If sanctions are im-
19 posed under section 5(a) of the Iran Sanctions
20 Act of 1996 (relating to sanctions with respect to
21 the development of petroleum resources of Iran)
22 on any member of an expanded affiliated group
23 the common parent of which is a foreign cor-
24 poration, paragraph (1) shall not apply to any
25 expense paid or incurred by any such member in

1 *any period during which the sanctions are in ef-*
 2 *fect.*

3 “(B) *EXPANDED AFFILIATED GROUP.*—*For*
 4 *purposes of subparagraph (A), the term ‘ex-*
 5 *panded affiliated group’ means an affiliated*
 6 *group as defined in section 1504(a), deter-*
 7 *mined—*

8 *“(i) by substituting ‘more than 50 per-*
 9 *cent’ for ‘at least 80 percent’ each place it*
 10 *appears, and*

11 *“(ii) without regard to paragraphs (2),*
 12 *(3), and (4) of section 1504(b).”.*

13 (b) *EFFECTIVE DATE.*—*The amendment made by sub-*
 14 *section (a) shall apply to expense paid or incurred on or*
 15 *after January 1, 2007.*

16 **TITLE V—MISCELLANEOUS**
 17 **PROVISIONS**

18 **SEC. 501. TERMINATION.**

19 (a) *TERMINATION.*—*The restrictions provided in sec-*
 20 *tions 203, 404, and 405 shall cease to be effective with re-*
 21 *spect to Iran on the date on which the President determines*
 22 *and certifies to the appropriate congressional committees*
 23 *that Iran—*

24 (1) *has ceased its efforts to design, develop, man-*
 25 *ufacture, or acquire—*

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

3 (B) chemical and biological weapons; and

4 (C) ballistic missiles and ballistic missile
5 launch technology;

6 (2) has been removed from the list of countries
7 the governments of which have been determined, for
8 purposes of section 6(j) of the Export Administration
9 Act of 1979 (50 U.S.C. 2405(j)), section 620A of the
10 Foreign Assistance Act of 1961, section 40 of the
11 Arms Export Control Act, or any other provision of
12 law, to have repeatedly provided support for acts of
13 international terrorism; and

14 (3) poses no significant threat to United States
15 national security, interests, or allies.

16 (b) *DEFINITION.*—In subsection (a), the term “appro-
17 priate congressional committees” means the Committee on
18 Foreign Affairs of the House of Representatives and the
19 Committee on Foreign Relations of the Senate.

Union Calendar No. 215

110TH CONGRESS
1ST Session

H. R. 1400

[Report No. 110-294, Part 1]

A BILL

To enhance United States diplomatic efforts with respect to Iran by imposing additional economic sanctions against Iran, and for other purposes.

SEPTEMBER 24, 2007

Committees on Ways and Means, Financial Services, Oversight and Government Reform, and the Judiciary discharged; committed to the Committee of the Whole House on the State of the Union and ordered to be printed