

# Proposed Amendments to HR 2194 The Iran Refined Petroleum Sanctions Act December 2009

For questions or further information, contact:

Lara Friedman

Director of Policy and Government Relations

Americans for Peace Now

[LFriedman@peacenow.org](mailto:LFriedman@peacenow.org)



# Summary of Concerns about HR 2194

Section(s)	Problem	Suggested Remedy
Sections 1; 2(b), 2(c), 3(a), 3(c)	The focus on “crippling” refined petroleum sanctions leads to the very problematic conclusion that the US is seeking to inflict widespread suffering on the Iranian people in order to force them to put pressure on their government. It is an approach that few believe will achieve the desired goal and that many believe could well backfire, to the benefit of the regime and sow anger at the US, not the Iranian government.	The focus of the bill should be enhanced sanctions authority in general, not the refined petroleum sector in particular.
Section 2(a)	Obama statements quoted in the bill were made prior to the Iranian elections and prior to the launch of the current negotiating effort. As such, they have clearly been overtaken by events. They should be updated to correctly represent the Administration’s positions.	Quotes in the bill should be updated to correctly represent the Administration’s positions.
Sections 3(a), 3(b), and 3(d)	At the outset of HR 2194 is the finding that “international diplomatic efforts to address Iran’s illicit nuclear efforts, unconventional and ballistic missile development programs, and support for international terrorism are more likely to be effective if <b>the President is empowered with the explicit authority to impose additional sanctions on the Government of Iran.</b> ”  As written, these sections do not <b>empower</b> the President with the authority to impose additional sanctions – they <b>dis-empower</b> him by removing his authority regarding the imposition of sanctions, in effect limiting his authority.	Textual changes should be incorporated to bring the legislative impact of the bill into conformity with the stated goal of the legislation: i.e., giving the President additional authority to act.
Section 3(c)	The restrictions laid out in this section have potentially far-reaching implications for US vital national security interests. It is unreasonable and possibly unconstitutional to place such restrictions on the President’s relations with other countries without providing a clear national security waiver.	A clear national security waiver should be added to this section.
Section 3(g)	This certification requirement is so categorical that it would be difficult if not impossible for a President to make, under any circumstances. It could also conflict with a potential future agreement with Iran over its nuclear program.	Changes should be made to make the certification requirement reasonable and to take into account the possibility of an international agreement with Iran on its nuclear program.
Section 3(h)	The Iran Sanctions Act (ISA) is major legislation in its own right. As such, <b>it should be considered and debated openly before a decision is made to extend it for 5 years.</b> Moreover, the ISA does not expire until 2011 – there is no justification for rushing through its extension as part of this bill.	This section should be deleted and ISA dealt with separately at an appropriate time.
New Section 3(x)	At this juncture, the absence of positive measures in what will be the single most important piece of Iran legislation in years is striking.	This new section offers constructive support for the people of Iran.



Section	Original text	Amendment	Explanation
<p><b>SECTION 1.</b> <b>SHORT</b> <b>TITLE.</b></p>	<p>This Act may be cited as the 'Iran Refined Petroleum Sanctions Act of 2009'.</p>	<p>This Act may be cited as the 'Iran <del>Refined Petroleum</del> <i>Enhanced</i> Sanctions Act of 2009'.</p>	<p>The focus of the bill should be enhanced sanctions authority in general, not the refined petroleum sector in particular.</p> <p>The focus on “crippling” refined petroleum sanctions leads to the very problematic conclusion that the US is seeking to inflict widespread suffering on the Iranian people in order to force them to put pressure on their government.</p> <p>It is an approach that few believe will achieve the desired goal and that many believe could well backfire, to the benefit of the regime and sow anger at the US, not the Iranian government.</p>



Section	Original text	Amendment	Explanation
<p><b>SEC. 2. FINDINGS; SENSE OF CONGRESS.</b></p> <p><b>(a) Findings</b></p>	<p>(a) Findings- Congress finds the following:</p> <p>(1) The illicit nuclear activities of the Government of Iran--combined with its development of unconventional weapons and ballistic missiles, and support for international terrorism--represent a serious threat to the security of the United States and U.S. allies in Europe, the Middle East, and around the world.</p> <p>(2) The United States and other responsible nations have a vital interest in working together to prevent the Government of Iran from acquiring a nuclear weapons capability.</p> <p>(3) The International Atomic Energy Agency has repeatedly called attention to Iran's unlawful nuclear activities, and, as a result, the United Nations Security Council has adopted a range of sanctions designed to encourage the Government of Iran to suspend those activities and comply with its obligations under the Treaty on the Non-Proliferation of Nuclear Weapons (commonly known as the 'Nuclear Non-Proliferation Treaty').</p> <p><b>(4) As a presidential candidate, then-Senator Obama stated that additional sanctions, especially those targeting Iran's dependence on imported refined petroleum, may help to persuade the Government of Iran to abandon its illicit nuclear activities.</b></p> <p><b>(5) On October 7, 2008, then-Senator Obama stated, 'Iran right now imports gasoline, even though it's an oil producer, because its oil infrastructure has broken down. If we can prevent them from importing the gasoline that they need and the refined petroleum products, that starts changing their cost-benefit analysis. That starts putting the squeeze on them.'</b></p> <p><b>(6) On June 4, 2008, then-Senator Obama stated, 'We should work with Europe, Japan, and the Gulf states to find every avenue outside the U.N. to isolate the Iranian regime--from cutting off loan guarantees and expanding financial sanctions, to banning the export of refined petroleum to Iran.'</b></p> <p>(7) Major European allies, including the United Kingdom, France, and Germany, have advocated that sanctions be significantly toughened should international diplomatic efforts fail to achieve verifiable suspension of Iran's uranium enrichment program and an end to its nuclear weapons program and other illicit nuclear activities.</p> <p>(8) The serious and urgent nature of the threat from Iran demands that the United States work together with U.S. allies to do everything possible--diplomatically, politically, and economically--to prevent Iran from acquiring a nuclear weapons capability.</p> <p>(9) The human rights situation in Iran has steadily deteriorated in 2009, as punctuated by the transparent fraud that occurred on June 12, the brutal repression and murder, arbitrary arrests, and show trials of peaceful dissidents, and ongoing suppression of freedom of expression.</p>	<p>Delete findings #4-6 and replace with the following:</p> <p><i>(4) On September 29, 2009, with the revelation of Iran's secret nuclear facility at Qom, President Obama stated, "We have offered Iran a clear path toward greater international integration if it lives up to its obligations, and that offer stands. But the Iranian government must now demonstrate through deeds its peaceful intentions or be held accountable to international standards and international law."</i></p> <p><i>(5) On November 4, 2009, on the anniversary of the seizure of the American Embassy in Tehran, President Obama said, "It is time for the Iranian government to decide whether it wants to focus on the past, or whether it will make the choices that will open the door to greater opportunity, prosperity, and justice for its people."</i></p> <p><i>(6) On November 29, 2009, following Iran's announcement of its intention to build 10 additional nuclear enrichment facilities, White House spokesman Robert Gibbs stated, "The international community has made clear that Iran has rights, but with those rights come responsibilities. As the overwhelming IAEA board of governors vote made clear, time is running out for Iran to address the international community's growing concerns about its nuclear program."</i></p>	<p>The Obama statements quoted in the bill were made prior to the Iranian elections and prior to the launch of the current negotiating effort.</p> <p>As such, they have clearly been overtaken by events.</p> <p>They should be updated to correctly represent the Administration's positions.</p>



Section	Original text	Amendment	Explanation
<p><b>SEC. 2. FINDINGS; SENSE OF CONGRESS.</b></p> <p><b>(b) Sense of Congress</b></p>	<p>(b) Sense of Congress- It is the sense of the Congress that--</p> <p>(1) international diplomatic efforts to address Iran's illicit nuclear efforts, unconventional and ballistic missile development programs, and support for international terrorism are more likely to be effective if the President is empowered with the explicit authority to impose additional sanctions on the Government of Iran;</p> <p>(2) the concerns of the United States regarding Iran are strictly the result of the actions of the Government of Iran;</p> <p>(3) the revelation in September 2009 that Iran is developing a secret uranium enrichment site on an Islamic Revolutionary Guard Corps base near Qom, which appears to have no civilian application, highlights the urgency for Iran to fully disclose the full nature of its nuclear program, including any other secret locations, and provide the International Atomic Energy Agency (IAEA) unfettered access to its facilities pursuant to Iran's legal obligations under the Treaty on the Non-Proliferation of Nuclear Weapons and Iran's Safeguards Agreement with the IAEA;</p> <p>(4) because of its involvement in Iran's nuclear program and other destabilizing activities, the President should impose sanctions, including the full range of sanctions otherwise applicable to Iran, on any individual or entity that is an agent, alias, front, instrumentality, representative, official, or affiliate of the Islamic Revolutionary Guard Corps or is an individual serving as a representative of the Islamic Revolutionary Guard Corps, or on any person that has conducted any commercial transaction or financial transaction with such entities;</p> <p><b>(5) Government to Government agreements with Iran to provide the regime with refined petroleum products, such as the September 2009 agreement under which the Government of Venezuela committed to provide 20,000 barrels of gasoline per day to Iran, undermine efforts to pressure Iran to suspend its nuclear weapons program and cease all enrichment activities; and</b></p> <p>(6) the people of the United States--</p> <p>(A) have feelings of friendship for the people of Iran; and</p> <p>(B) hold the people of Iran, their culture, and their ancient and rich history in the highest esteem.</p>	<p>Delete (5) in its entirety.</p>	<p>The focus of the bill should be enhanced sanctions authority in general, not the refined petroleum sector in particular.</p>



Section	Original text	Amendment	Explanation
<p><b>SEC. 2. FINDINGS; SENSE OF CONGRESS.</b></p> <p><b>(c) Statement of Policy</b></p>	<p>(c) Statement of Policy- It shall be the policy of the United States--</p> <p>(1) to prevent Iran from achieving the capability to make nuclear weapons, including by supporting international diplomatic efforts to halt Iran's uranium enrichment program;</p> <p>(2) to fully implement and enforce the Iran Sanctions Act of 1996 <b>as a means of encouraging foreign governments to--</b></p> <p><b>(A) direct state-owned entities to cease all investment in, and support of, Iran's energy sector and all exports of refined petroleum products to Iran; and</b></p> <p><b>(B) require private entities based in their territories to cease all investment in, and support of, Iran's energy sector and all exports of refined petroleum products to Iran;</b></p> <p>(3) to impose sanctions on--</p> <p>(A) the Central Bank of Iran, and any other financial institution in Iran that is engaged in proliferation activities or support of terrorist groups, and</p> <p>(B) any other financial institution that conducts financial transactions with the Central Bank of Iran or with another financial institution described in subparagraph (A), including through the use of Executive Orders 13224, 13382, and 13438 and United Nations Security Council Resolutions 1737, 1747, 1803, and 1835;</p> <p>(4) to persuade the allies of the United States and other countries to take appropriate measures to deny access to the international financial system by Iranian banks and financial institutions involved in proliferation activities or support of terrorist groups;</p> <p>(5) to support all Iranian citizens who embrace the values of freedom, human rights, civil liberties, and the rule of law; and</p> <p>(6) for the Secretary of State to make every effort to assist United States citizens held hostage in Iran at any time during the period beginning on November 4, 1979 and ending on January 20, 1981, and their survivors in matters of compensation related to such citizens' detention.</p>	<p>In (2), strike all after "1996."</p>	<p>The focus of the bill should be enhanced sanctions authority in general, not the refined petroleum sector in particular.</p>
<p><b>Proposed new Section 3(x) – Support for the People of Iran</b></p>	<p><b>(x). SUPPORT FOR THE PEOPLE OF IRAN.</b></p> <p><i>(A) Sense of Congress- It is the sense of the Congress that the United States should seek ways to support and show solidarity with the people of Iran.</i></p> <p><i>(B) Report. – The President shall review and report back to relevant congressional committees within 30 days of this Act becoming law examining:</i></p> <p><i>(1) How to facilitate legitimate charitable donations from American citizens to the people of Iran, including the legal changes and oversight mechanism required;</i></p> <p><i>(2) U.S. law as it pertains to internet and telecommunications links to Iran, bearing in mind that it is in the United States' national interest to promote and preserve free communications within and into Iran; and</i></p> <p><i>(3) Potential US sanctions that could be imposed on parties cooperating in the stifling or censorship of free expression and communication inside and into Iran.</i></p>	<p>NEW SECTION</p>	<p>At this juncture, the absence of positive measures in what will be the single most important piece of Iran legislation in years is striking and should be corrected. This section offers constructive support for the people of Iran.</p>



Section	Original text	Amendment	Explanation
<p><b>SEC. 3. AMENDMENTS TO THE IRAN SANCTIONS ACT OF 1996.</b></p> <p><b>(a) Expansion of Sanctions</b></p>	<p>(a) Expansion of Sanctions- Section 5(a) of the Iran Sanctions Act of 1996 (50 U.S.C. 1701 note) is amended to read as follows:</p> <p>“(a) Sanctions With Respect to the Development of Petroleum Resources of Iran and Exportation of Refined Petroleum to Iran-</p> <p>“(1) DEVELOPMENT OF PETROLEUM RESOURCES OF IRAN-</p> <p>“(A) INVESTMENT- Except as provided in subsection (f), the President <b>shall</b> impose 2 or more of the sanctions described in paragraphs (1) through (6) of section 6(a) if the President determines that a person has knowingly, on or after the date of the enactment of this Act, made an investment of \$20,000,000 or more (or any combination of investments of at least \$5,000,000 each, which in the aggregate equals or exceeds \$20,000,000 in any 12-month period), that directly and significantly contributed to the enhancement of Iran's ability to develop petroleum resources of Iran.</p> <p>“(B) PRODUCTION OF REFINED PETROLEUM PRODUCTS- Except as provided in subsection (f), the President <b>shall</b> impose the sanctions described in section 6(b) if the President determines that a person knowingly sells, leases, or provides to Iran any goods, services, technology, information, or support, or enters into a contract to sell, lease, or provide to Iran any goods, services, technology, information, or support, that would allow Iran to maintain or expand its domestic production of refined petroleum products, including any assistance in the construction, modernization, or repair of refineries that make refined petroleum products, if--</p> <p>“(i) the value of the goods, services, technology, information, or support provided in such sale, lease, or provision, or to be provided in such contract, exceeds \$200,000; or</p> <p>“(ii) the value of the goods, services, technology, information, or support provided in any combination of such sales, leases, or provision in any 12-month period, or to be provided under contracts entered into in any 12-month period, exceeds \$500,000.</p> <p>“(2) EXPORTATION OF REFINED PETROLEUM PRODUCTS TO IRAN-</p> <p>“(A) IN GENERAL- Except as provided in subsection (f), the President <b>shall</b> impose the sanctions described in section 6(b) if the President determines that a person knowingly provides Iran with refined petroleum products or engages in any of the activities described in subparagraph (B), if--</p> <p>“(i) the value of such products or of the goods, services, technology, information, or support provided or to be provided in connection with such activity exceeds \$200,000; or</p> <p>“(ii) the value of such products, or of the goods, services, technology, information, or support, provided or to be provided in connection with any combination of providing such products or such activities, in any 12-month period exceeds \$500,000.</p> <p>“(B) ACTIVITIES DESCRIBED- The activities referred to in subparagraph (A) are the following:</p> <p>“(i) Providing ships, vehicles, or other means of transportation to deliver refined petroleum products to Iran, or providing services relating to the shipping or other transportation of refined petroleum products to Iran.</p> <p>“(ii) Underwriting or otherwise providing insurance or reinsurance for an activity described in clause (i).</p> <p>“(iii) Financing or brokering an activity described in clause (i).”.</p>	<p>Changes:</p> <p>“(a)“(1)“(A) INVESTMENT- Except as provided in subsection (f), the President <del>shall</del> <i>may</i> impose...</p> <p>“(a)“(1)“(B) PRODUCTION OF REFINED PETROLEUM RESOURCES- Except as provided in subsection (f), the President <del>shall</del> <i>may</i> impose...</p> <p>“(a)“(2) EXPORTATION OF REFINED PETROLEUM RESOURCES TO IRAN- Except as provided in subsection (f), the President <del>shall</del> <i>may</i> impose...</p>	<p>The focus of the bill should be enhanced sanctions authority in general, not the refined petroleum sector in particular.</p> <p>Assuming, however, that sanctions targeting refined petroleum products are going to remain part of this legislation, we should recall the sentiment expressed at the outset of the legislation: “international diplomatic efforts to address Iran's illicit nuclear efforts, unconventional and ballistic missile development programs, and support for international terrorism are more likely to be effective if <b>the President is empowered with the explicit authority to impose additional sanctions on the Government of Iran.</b>”</p> <p>As written, this section does not <b>empower</b> the President with the authority to impose additional sanctions – it <b>obligates</b> him to impose sanctions then offers him limited authority to waive that obligation.</p> <p>The suggested change brings the legislative impact of the bill into conformity with the stated goal of the legislation: i.e., giving the President additional authority to act.</p>



Section	Original text	Amendment	Explanation
<p><b>SEC. 3. AMENDMENTS TO THE IRAN SANCTIONS ACT OF 1996.</b></p> <p><b>(b) Description of Sanctions</b></p>	<p>(b) Description of Sanctions- Section 6 of such Act is amended--</p> <p>(1) by striking 'The sanctions to be imposed on a sanctioned person under section 5 are as follows:' and inserting the following: '(a) In General- The sanctions to be imposed on a sanctioned person under subsections (a)(1)(A) and (b)(1) of section 5 are as follows:'; (2) in paragraph (4), by striking 'section 5' each place it appears and inserting 'subsections (a)(1)(A) and (b) of section 5'; and</p> <p>(3) by adding at the end the following:</p> <p>'(b) Additional <b>Mandatory</b> Sanctions- The sanctions to be imposed on a sanctioned person under paragraphs (1)(B) and (2) of section 5(a) are as follows:</p> <p>'(1) FOREIGN EXCHANGE- The President <b>shall</b> prohibit any transactions in foreign exchange by the sanctioned person.</p> <p>'(2) BANKING TRANSACTIONS- The President <b>shall</b> prohibit any transfers of credit or payments between, by, through, or to any financial institution, to the extent that such transfers or payments involve any interest of the sanctioned person.</p> <p>'(3) PROPERTY TRANSACTIONS- The President <b>shall</b> prohibit any acquisition, holding, withholding, use, transfer, withdrawal, transportation, importation, or exportation of, dealing in, or exercising any right, power, or privilege with respect to, or transactions involving, any property in which the sanctioned person has any interest by any person, or with respect to any property, subject to the jurisdiction of the United States.</p> <p>'(c) Additional Measure Relating to Refined Petroleum Products-</p> <p>'(1) IN GENERAL- <b>The head of each executive agency shall ensure that each contract</b> with a person entered into by such executive agency for the procurement of goods or services, or agreement for the use of Federal funds as part of a grant, loan, or loan guarantee to a person, includes a clause that requires the person to certify to the contracting officer or other appropriate official of such agency that the person does not conduct any activity described in paragraph (1)(B) or (2) of section 5(a).</p> <p>'(2) REMEDIES- '(A) IN GENERAL- If the head of the executive agency determines that such person has submitted a false certification under paragraph (1) after the date on which the Federal Acquisition Regulation is revised to implement the requirements of this subsection, the head of an executive agency may terminate a contract, or agreement described in paragraph (1), with such person or debar or suspend such person from eligibility for Federal contracts or such agreements for a period not to exceed 15 years.</p> <p>'(B) INCLUSION ON LIST OF PARTIES EXCLUDED FROM FEDERAL PROCUREMENT AND NONPROCUREMENT PROGRAMS- The Administrator of General Services shall include on the List of Parties Excluded from Federal Procurement and Nonprocurement Programs maintained by the Administrator under part 9 of the Federal Acquisition Regulation issued under section 25 of the Office of Federal Procurement Policy Act (41 U.S.C. 421) each person that is debarred, suspended, proposed for debarment or suspension, or declared ineligible by the head of an executive agency on the basis of a determination of a false certification under subparagraph (A).</p> <p>'(C) RULE OF CONSTRUCTION- This subsection shall not be construed to limit the use of other remedies available to the head of an executive agency or any other official of the Federal Government on the basis of a determination of a false certification under paragraph (1).</p> <p>'(3) IMPLEMENTATION THROUGH THE FEDERAL ACQUISITION REGULATION- Not later than 120 days after the date of the enactment of the Iran Refined Petroleum Sanctions Act of 2009, the Federal Acquisition Regulation issued pursuant to section 25 of the Office of Federal Procurement Policy Act (41 U.S.C. 421) shall be revised to provide for the implementation of the requirements of this subsection.'</p>	<p>Amend as follows:</p> <p>(b)(3) by adding at the end the following:</p> <p>'(b) Additional <del>Mandatory</del> Sanctions- The sanctions to be imposed on a sanctioned person under paragraphs (1)(B) and (2) of section 5(a) are as follows:</p> <p>'(1) FOREIGN EXCHANGE- The President <del>shall</del> <i>may</i> prohibit any transactions in foreign exchange by the sanctioned person.</p> <p>'(2) BANKING TRANSACTIONS- The President <del>shall</del> <i>may</i> prohibit any transfers of credit or payments between, by, through, or to any financial institution...</p> <p>'(3) PROPERTY TRANSACTIONS- The President <del>shall</del> <i>may</i> prohibit any acquisition, holding, withholding, use...</p> <p>'(c) Additional Measure Relating to Refined Petroleum Products-</p> <p>'(1) IN GENERAL- The President <i>may</i> direct the head of <del>each</del> <i>any</i> executive agency <del>shall</del> <i>to</i> ensure that <del>each</del> contracts with a person entered into by such executive agency...</p>	<p>As written, this section does not <b>empower</b> the President with the authority to impose additional sanctions – it <b>obliges</b> him and his Administration to do so.</p> <p>The suggested change brings the legislative impact of the bill into conformity with the stated goal of the legislation: i.e., giving the President additional authority to act.</p>



Section	Original text	Amendment	Explanation
<p><b>SEC. 3. AMENDMENTS TO THE IRAN SANCTIONS ACT OF 1996.</b></p> <p><b>(c) Additional Mandatory Sanctions Relating to Transfer of Nuclear Technology</b></p>	<p>(c) Additional Mandatory Sanctions Relating to Transfer of Nuclear Technology- Section 5(b) of the Iran Sanctions Act of 1996 is amended--</p> <p>(1) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively, and moving such paragraphs 2 ems to the right;</p> <p>(2) by striking 'The President shall impose' and inserting the following: '(1) IN GENERAL- The President shall impose';</p> <p>(3) by striking 'section 6' and inserting 'section 6(a)'; and</p> <p>(4) by adding at the end the following:</p> <p>'(2) ADDITIONAL SANCTION-</p> <p>'(A) RESTRICTION- In any case in which a person is subject to sanctions under paragraph (1) because of an activity described in such paragraph that relates to the acquisition or development of nuclear weapons or related technology or of missiles or other advanced conventional weapons that are capable of delivering a nuclear weapon, then notwithstanding any other provision of law, the following measures shall apply with respect to the country that has jurisdiction over such person, unless the President determines and notifies the appropriate congressional committees that the government of such country has taken, or is taking, effective actions to penalize such person and to prevent a reoccurrence of such activity in the future:</p> <p>'(i) No agreement for cooperation between the United States and the government of such country may be submitted to the President or to Congress pursuant to section 123 of the Atomic Energy Act of 1954 (42 U.S.C. 2153), or may enter into force.</p> <p>'(ii) No license may be issued for the export, and no approval may be given for the transfer or retransfer, directly or indirectly, to such country of any nuclear material, facilities, components, or other goods, services, or technology that would be subject to an agreement to cooperation.</p> <p>'(B) CONSTRUCTION- The restrictions in subparagraph (A) shall apply in addition to all other applicable procedures, requirements, and restrictions contained in the Atomic Energy Act of 1954 and other laws.</p> <p>'(C) DEFINITION- In this paragraph, the term 'agreement for cooperation' has the meaning given that term in section 11 b. of the Atomic Energy Act of 1954 (42 U.S.C. 2014(b)).'</p>	<p>Insert the following in (c)(2)</p> <p>'(2) ADDITIONAL SANCTION-</p> <p>'(D) <i>The president may waive the restrictions contained in (2)(A) if he certifies and reports to Congress that doing so is vital to the national security interests of the United States.</i></p>	<p>The restrictions laid out in this section have potentially far-reaching implications for US vital national security interests.</p> <p>It is unreasonable (and possibly unconstitutional) to place such restrictions on the President's relations with other countries without providing a clear national security waiver.</p>



Section	Original text	Amendment	Explanation
<p><b>SEC. 3. AMENDMENTS TO THE IRAN SANCTIONS ACT OF 1996.</b></p> <p><b>(d) Strengthening of Waiver Authority and Sanctions Implementation</b></p>	<p>(d) Strengthening of Waiver Authority and Sanctions Implementation- <b>(1) INVESTIGATIONS- Section 4(f) of the Iran Sanctions Act of 1996 (50 U.S.C. 1701 note) is amended--</b>  <b>(A) in paragraph (1)--</b>  <b>(i) by striking `should initiate' and inserting `shall immediately initiate';</b>  <b>(ii) by inserting `or 5(b)' after `section 5(a)'; and</b>  <b>(iii) by striking `as described in such section' and inserting `as described in section 5(a)(1) or other activity described in section 5(a)(2) or 5(b) (as the case may be)'; and</b>  <b>(B) in paragraph (2), by striking `should determine, pursuant to section 5(a), if a person has engaged in investment activity in Iran as described in such section' and inserting `shall determine, pursuant to section 5(a) or (b) (as the case may be), if a person has engaged in investment activity in Iran as described in section 5(a)(1) or other activity described in section 5(a)(2) or 5(b) (as the case may be)'.</b>  <b>(2) GENERAL WAIVER AUTHORITY- Section 9(c) of the Iran Sanctions Act of 1996 (50 U.S.C. 1701 note) is amended--</b>  <b>(A) in paragraph (1)--</b>  <b>(i) by inserting after `on a person described in section 5(c),' the following: `or on a country described in section 5(b)(2)(A) (if the President certifies to the appropriate congressional committees that the President is unable to make the determination described in such section 5(b)(2)(A) with respect to the government of that country),'; and</b>  <b>(ii) by striking `important to the national interest of the United States' and inserting `vital to the national security interest of the United States'; and</b>  <b>(B) in paragraph (2)--</b>  <b>(i) in subparagraphs (A), (B), and (D), by striking `or (b)' each place it appears and inserting `or (b)(1)'; and</b>  <b>(ii) by amending subparagraph (C) to read as follows:</b>  <b>`(C) an estimate of the significance of the provision of the items described in paragraph (1) or (2) of section 5(a) or section 5(b)(1) to Iran's ability to develop its petroleum resources, to maintain or expand its domestic production of refined petroleum products, to import refined petroleum products, or to develop its weapons of mass destruction or other military capabilities (as the case may be); and'</b></p>	<p>Strike all of (d)(1)</p> <p>In (d)(2), add the following under GENERAL WAIVER AUTHORITY:</p> <p><i>(D) After 9(c)(1) insert the following:</i>  <i>'(2) Definition: -- the vital national interests of the United States include strategic, military, and economic considerations, as well as the vital United States interest in refraining from the infliction of harm, and avoiding the impression of intent to inflict harm, on the civilian population of Iran.*</i></p> <p><i>(E) after 9(c)(2)(C), insert the following: (D)'an estimate of the likely effects of the proposed sanctions on the civilian population of Iran, including economic and health impacts, and in terms of popular support for the government of Iran.'*</i></p> <p><b>*note: these changes reflect additional amendments to the existing law, not the IRPSA text. The text of the existing law is included on page 14 of this document.</b></p>	<p>Strike all of (1): The bill states that the goal is to empower the President with sanctions authority. However, this section would do the opposite - taking existing authority <b>away</b> from the President, rather than giving him additional authority to act.</p> <p>-----</p> <p>New GENERAL WAIVER AUTHORITY language:</p> <p>The change proposed here would clarify that consideration of vital US national security interests includes the impact of sanctions on the civilian population of Iran.</p> <p>Existing law – 9(c)(1) – states that the President may waive sanctions “...after the President determines and so reports to the appropriate congressional committees that it is important to the national interest of the United States to exercise such waiver authority.” (IRPSA, as written, would amend this to read “vital to the national security interest of the United States.”)</p> <p>New 9(c)(2)(D): Section 9(c)(2) lays out the contents of the report that the President is required to submit if he imposes, and then waives, sanctions. The proposed subsection (D) is consistent with the definition of US national security interests laid out above.</p>



Section	Original text	Amendment	Explanation
<p><b>SEC. 3. AMENDMENTS TO THE IRAN SANCTIONS ACT OF 1996.</b></p> <p><b>(e) Reports on United States Efforts To Curtail Certain Business and Other Transactions Relating to Iran</b></p>	<p>(e) Reports on United States Efforts To Curtail Certain Business and Other Transactions Relating to Iran- Section 10 of such Act is amended--</p> <p>(1) in subsection (a), by amending paragraph (4) to read as follows: '(4) Iran's use in the Middle East, the Western Hemisphere, Africa, and other regions, of Iranian diplomats and representatives of other government and military or quasi-governmental institutions or proxies of Iran, including, but not limited to, Hezbollah, to promote acts of international terrorism or to develop or sustain Iran's nuclear, chemical, biological, and missile weapons programs.'; and</p> <p><b>(2) by adding at the end the following:</b></p> <p><b>“(d) Reports on Certain Business and Other Transactions Relating to Iran-</b></p> <p><b>“(1) IN GENERAL- Not later than 90 days after the date of the enactment of the Iran Refined Petroleum Sanctions Act of 2009, and every 6 months thereafter, the President shall submit a report to the appropriate congressional committees regarding any person who has--</b></p> <p><b>“(A) provided Iran with refined petroleum products;</b></p> <p><b>“(B) sold, leased, or provided to Iran any goods, services, or technology that would allow Iran to maintain or expand its domestic production of refined petroleum products; or</b></p> <p><b>“(C) engaged in any activity that could contribute to the enhancement of Iran's ability to import refined petroleum products.</b></p> <p><b>“(2) DESCRIPTION- For each activity set forth in subparagraphs (A) through (C) of paragraph (1), the President shall provide a complete and detailed description of such activity, including--</b></p> <p><b>“(A) the date or dates of such activity;</b></p> <p><b>“(B) the name of any persons who participated or invested in or facilitated such activity;</b></p> <p><b>“(C) the United States domiciliary of the persons referred to in subparagraph (B);</b></p> <p><b>“(D) any Federal Government contracts to which the persons referred to in subparagraph (B) are parties; and</b></p> <p><b>“(E) the steps taken by the United States to respond to such activity.</b></p> <p><b>“(3) ADDITIONAL INFORMATION- The report required by this subsection shall also include a list of--</b></p> <p><b>“(A) any person that the President determines is an agent, alias, front, instrumentality, representative, official, or affiliate of the Islamic Revolutionary Guard Corps or is an individual serving as a representative of the Islamic Revolutionary Guard Corps;</b></p> <p><b>“(B) any person that the President determines has knowingly provided material support to the Islamic Revolutionary Guard Corps or an agent, alias, front, instrumentality, representative, official, or affiliate of the Islamic Revolutionary Guard Corps; and</b></p> <p><b>“(C) any person who has conducted any commercial transaction or financial transaction with the Islamic Revolutionary Guards Corps or an agent, alias, front, instrumentality, representative, official, or affiliate of the Islamic Revolutionary Guard Corps.</b></p> <p><b>“(4) FORM OF REPORTS; PUBLICATION- The reports required under this subsection shall be-</b></p> <p><b>“(A) submitted in unclassified form, but may contain a classified annex; and</b></p> <p><b>“(B) published in the Federal Register.</b></p> <p><b>“(e) Reports on Global Trade Relating to Iran- Not later than one year after the date of the enactment of the Iran Refined Petroleum Sanctions Act of 2009 and annually thereafter, the President shall submit to the appropriate congressional committees a report, with respect to the immediately preceding 12-month period, on the dollar value amount of trade, including in the energy sector, between Iran and each country maintaining membership in the Group of Twenty Finance Ministers and Central Bank Governors.’.</b></p>	<p>Strike (e)(2) in its entirety</p>	<p>The focus of the bill should be enhanced sanctions authority in general, not the refined petroleum sector in particular.</p>



Section	Original text	Amendment	Explanation
<p><b>SEC. 3. AMENDMENTS TO THE IRAN SANCTIONS ACT OF 1996.</b></p> <p><b>(f) Clarification and Expansion of Definitions</b></p>	<p>(f) Clarification and Expansion of Definitions- Section 14 of such Act is amended--</p> <p>(1) in paragraph (13)(B)--</p> <p>(A) by inserting `financial institution, insurer, underwriter, guarantor, any other business organization, including any foreign subsidiary, parent, or affiliate of such a business organization,' after `trust,`; and</p> <p>(B) by inserting `, such as an export credit agency' before the semicolon at the end;</p> <p>(2) by redesignating paragraphs (15) and (16) as paragraphs (17) and (18), respectively; and</p> <p>(3) by striking paragraph (14) and inserting the following:</p> <p>`(14) KNOWINGLY- The term `knowingly' means--</p> <p>`(A) having actual knowledge; or</p> <p>`(B) having the constructive knowledge deemed to be possessed by a reasonable individual who acts under similar circumstances.</p> <p>`(15) PETROLEUM RESOURCES- The term `petroleum resources' includes petroleum, oil or liquefied natural gas, oil or liquefied natural gas tankers, and products used to construct or maintain pipelines used to transport oil or compressed or liquefied natural gas.</p> <p>`(16) REFINED PETROLEUM PRODUCTS- The term `refined petroleum products' means gasoline, kerosene, diesel fuel, residual fuel oil, and distillates and other goods classified in headings 2709 and 2710 of the Harmonized Tariff Schedule of the United States.'.</p>	<p>No change.</p>	
<p><b>SEC. 3. AMENDMENTS TO THE IRAN SANCTIONS ACT OF 1996.</b></p> <p><b>(g) Termination of Certain Provisions</b></p>	<p>(g) Termination of Certain Provisions- Section 8 of the Iran Sanctions Act of 1996 is amended--</p> <p>(1) by striking `The requirement under section 5(a)' and inserting `(a) Sanctions Relating to Investment- The requirement under section 5(a)(1)(A)';</p> <p>(2) by striking `with respect to Iran'; and</p> <p>(3) by adding at the end the following:</p> <p>`(b) Refined Petroleum Products- The requirements under paragraphs (1)(B) and (2) of section 5(a) and section 6(b) to impose sanctions shall no longer have force or effect <b>if the President determines and certifies to the appropriate congressional committees that Iran--</b></p> <p>`(1) has ceased its efforts to design, develop, manufacture, or acquire a nuclear explosive device or related materials and technology; and</p> <p><b>`(2) has ceased nuclear-related activities, including uranium enrichment, that would facilitate the efforts described in paragraph (1).'</b></p>	<p>In (3)'(b), insert after "certifies to the <b>appropriate congressional committees that</b>" the following: "it is the assessment of the US Government" that"</p> <p>At the end of (3)'(b)'(2), insert the following: "except as agreed to by the United States and the international community."</p> <p>Insert the following:</p> <p>"(3)'(b)'(3) is complying with all agreements for international monitoring of nuclear activities described in paragraph (2)."</p>	<p>This certification requirement is so categorical that it would be difficult if not impossible for a President to make, under any circumstances.</p> <p>It could also conflict with a potential future agreement with Iran over its nuclear program.</p> <p>The suggested amendments make the certification requirement reasonable and take into account the possibility of an international agreement with Iran on its nuclear program.</p>



Section	Original text	Amendment	Explanation
<p><b>SEC. 3. AMENDMENTS TO THE IRAN SANCTIONS ACT OF 1996.</b></p> <p><b>(h) Extension of Act</b></p>	<p><b>(h) Extension of Act-</b> Section 13(b) of the Iran Sanctions Act of 1996 is amended by striking `2011' and inserting `2016'.</p>	<p>Strike (h) in its entirety</p>	<p>The Iran Sanctions Act is major legislation in its own right.</p> <p>As such, <b>it should be considered and debated openly before a decision is made to extend it for 5 years.</b></p> <p>Moreover, the ISA does not expire until 2011 – there is no justification for rushing through its extension as part of this bill.</p>
<p><b>SEC. 3. AMENDMENTS TO THE IRAN SANCTIONS ACT OF 1996.</b></p> <p><b>(i) Technical Amendments</b></p>	<p>(i) Technical Amendments-</p> <p>(1) MULTILATERAL REGIME- Section 4 of such Act is amended--</p> <p>(A) in subsection (b)(2), by striking `(in addition to that provided in subsection (d))'; and</p> <p>(B) by striking subsection (d) and redesignating subsections (e) and (f) as subsections (d) and (e), respectively.</p> <p>(2) REFERENCE TO COMMITTEE ON FOREIGN AFFAIRS- Section 14(2) of such Act is amended by striking `International Relations' and inserting `Foreign Affairs'.</p> <p>(3) CONFORMING AMENDMENTS- (A) Section 5(c)(1) of such Act is amended by striking `or (b)' and inserting `or (b)(1)'. (B) Section 9(a) of such Act is amended by striking `or 5(b)' each place it appears and inserting `or 5(b)(1)'.</p>	<p>As necessary</p>	
<p><b>SEC. 4. EFFECTIVE DATE; RULE OF CONSTRUCTION.</b></p>	<p>(a) In General- The amendments made by this Act shall take effect upon the expiration of the 60-day period beginning on the date of the enactment of this Act, except that--</p> <p>(1) paragraphs (1) and (2) of section 5(a), section 5(b)(2), and section 6(b), of the Iran Sanctions Act of 1996, as amended by this Act, shall apply to conduct engaged in on or after October 28, 2009, notwithstanding section 5(f)(3) of the Iran Sanctions Act of 1996; and</p> <p>(2) the amendments made by subsection (d) of section 3 of this Act shall apply with respect to conduct engaged in before, on, or after the date of the enactment of this Act.</p> <p>(b) Rule of Construction-</p> <p>(1) EXISTING SANCTIONS NOT AFFECTED- The amendments made by subsections (a) and (b) of section 3 of this Act shall not be construed to affect the requirements of section 5(a) of the Iran Sanctions Act of 1996 as in effect before the date of the enactment of this Act, and such requirements continue to apply, on and after such date of enactment, to conduct engaged in before October 28, 2009.</p> <p>(2) WAIVER AUTHORITY- The amendments made by subsection (d) of section 3 of this Act shall not be construed to affect any exercise of the authority under section 4(f) or section 9(c) of the Iran Sanctions Act of 1996 as in effect on the day before the date of the enactment of this Act.</p>	<p>No changes.</p>	



## REFERENCE MATERIAL

	<b>current sanctions law referenced in Section 3(d) of IRPSA</b>
50 USC Sec. 1701	<p>"SEC. 9. DURATION OF SANCTIONS; PRESIDENTIAL WAIVER.</p> <p>"(c) Presidential Waiver. -</p> <p>"(1) Authority. - The President may waive the requirement in section 5 to impose a sanction or sanctions on a person described in section 5(c), and may waive the continued imposition of a sanction or sanctions under subsection (b) of this section, 30 days or more after the President determines and so reports to the appropriate congressional committees that it is important to the national interest of the United States to exercise such waiver authority.</p> <p>"(2) Contents of report. - Any report under paragraph (1) shall provide a specific and detailed rationale for the determination under paragraph (1), including -</p> <p>"(A) a description of the conduct that resulted in the determination under section 5(a) or (b), as the case may be;</p> <p>"(B) in the case of a foreign person, an explanation of the efforts to secure the cooperation of the government with primary jurisdiction over the sanctioned person to terminate or, as appropriate, penalize the activities that resulted in the determination under section 5(a) or (b), as the case may be;</p> <p>"(C) an estimate of the significance of the provision of the items described in section 5(a) or section 5(b) to Iran's ability to, respectively, develop its petroleum resources or its weapons of mass destruction or other military capabilities; and</p> <p>"(D) a statement as to the response of the United States in the event that the person concerned engages in other activities that would be subject to section 5(a) or (b).</p> <p>"(3) Effect of report on waiver. - If the President makes a report under paragraph (1) with respect to a waiver of sanctions on a person described in section 5(c), sanctions need not be imposed under section 5(a) or (b) on that person during the 30-day period referred to in paragraph (1).</p>

