

BILL SUMMARY

March 23, 2007

Iran Counter-Proliferation Act of 2007 – S. 970

With Iran continuing to defy the international community's demands to suspend its nuclear activities, Sen. Gordon Smith (R-OR) and Majority Whip Dick Durbin (D-IL) on March 22 introduced comprehensive legislation increasing economic and political pressure on Iran to persuade the regime to abandon its pursuit of nuclear weapons. The Iran Counter-Proliferation Act of 2007 (ICPA) closes loopholes in existing sanctions law, strengthens U.S. tools to cut off funds to Iran's nuclear program and prohibits U.S. nuclear cooperation with those aiding Iran's nuclear efforts. House Foreign Affairs Committee Chairman Tom Lantos (D-CA) and Ranking Member Ileana Ros-Lehtinen (R-FL) have introduced similar legislation in the House (H.R. 1400).

KEY PROVISIONS:

Tightens Enforcement of Existing U.S. Sanctions Law:

- Requires the Secretary of the Treasury to report every six months on any foreign investments in Iran's energy sector since January 1, 2007, and on the administration's actions dealing with such investments.
- Prohibits U.S. subsidiaries of foreign companies that are sanctioned due to their investment in Iran's energy sector from writing off energy-related depreciation costs.
- Ends all Iranian exports to the United States and restricts U.S. exports to Iran to food and medicine.
- Authorizes increased funding for U.S. agencies working to cut off Iran from the international banking system.
- Freezes the assets of Iranian officials and their families.

Prohibits U.S. Nuclear Cooperation with Russia:

- Requires the implementation of any U.S. nuclear cooperation agreement with Russia to be conditioned on presidential certification that Russia has ceased nuclear cooperation with Iran.

Isolates Iran from International Financial Institutions:

- Reduces U.S. contributions to the World Bank based on the percentage the bank gives in loans to Iran and redirects the funds into international maternal and child health programs.

- Encourages the executive branch to increase use of American leverage in the international financial sector to further isolate Iran.
- Urges not extending preferential trade treatment to any action that could lead to WTO membership for Iran or any country that is assisting Iran's nuclear or ballistic missile program.
- Encourages the administration to prohibit all Iranian state-owned banks from using the U.S. banking system.
- Forbids any person that meets the criteria for imposing sanctions under the Iran Sanctions Act from receiving U.S. government contracts.

Urges Divestment from Iran:

- Calls for federal and state pension plans to divest holding from companies and entities that invest in Iran's energy sector.

Urges Terrorist Designation of Iran's Islamic Revolutionary Guards:

- Urges the president to designate the Islamic Revolutionary Guard Corps as a foreign terrorist organization and urges it be placed on the list of specially designated global terrorists. The bill also requires the president to report to Congress on the steps he has taken toward such a designation.

Promotes Democracy:

- Directs the Broadcasting Board of Governors to devote more of its Radio Farda programming in Iran to news and analysis.

Urges Creation of an International Nuclear Fuel Bank:

- States that it is U.S. policy to support the establishment of an international nuclear fuel bank for peaceful means and conditionally authorizes \$50 million in voluntary contributions to the IAEA to support the establishment of an international nuclear fuel bank.